
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of the Proposal, the Scheme, the Share Incentive Proposal, this Scheme Document or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold or otherwise transferred all your shares in Fosun Tourism Group, you should at once hand this Scheme Document and the accompanying forms of proxy to the purchaser or the transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

(1) PROPOSED SHARE BUY-BACK OF FOSUN TOURISM GROUP BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 86 OF THE COMPANIES ACT AND (2) PROPOSED WITHDRAWAL OF LISTING OF FOSUN TOURISM GROUP



Deutsche Bank AG, Hong Kong Branch
Lead Financial Adviser to the Company

FOSUN INTL CAPITAL

Fosun International Capital
Joint Financial Adviser to the Company

Independent Financial Adviser to the Disinterested Shareholders and the Share Incentive Holders

ALTUS CAPITAL LIMITED

Capitalised terms used hereunder shall have the same meanings as defined in this Scheme Document.

A letter from the Board is set out in Part IV of this Scheme Document. A letter from the Independent Financial Adviser containing its advice in respect of the Proposal, the Scheme and the Share Incentive Proposal is set out in Part V of this Scheme Document. The Explanatory Memorandum is set out in Part VI of this Scheme Document. The form of the Letter to the Share Incentive Holders is set out in APPENDIX XI of this Scheme Document.

The actions to be taken by the Shareholders are set out in Part II of this Scheme Document.

Notices convening the Court Meeting and the EGM to be held at 8th Floor, Tower T1, No. 118 Feihong Road, Hongkou District, Shanghai, the PRC on 4 March 2025 at 3:00 p.m. and 3:30 p.m. (or as soon as practicable after the conclusion or adjournment of the Court Meeting) respectively are set out in APPENDIX IX and APPENDIX X of this Scheme Document respectively. Whether or not you are able to attend the Court Meeting and/or EGM or any adjournment(s) thereof in person, you are strongly urged to complete and sign the enclosed **PINK** form of proxy in respect of the Court Meeting and the enclosed **WHITE** form of proxy in respect of the EGM, in accordance with the instructions printed thereon, and to deposit them at the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible, but in any event no later than the respective times and dates stated under Part II — Actions to be Taken of this Scheme Document. If the **PINK** form of proxy is not so lodged, it may alternatively be handed to the chairman of the Court Meeting at the Court Meeting. If the **WHITE** form of proxy is not so lodged at least 48 hours before the time appointed for the EGM (or any adjournment thereof), it will not be valid.

This Scheme Document is issued by the Company.

The English language text of this Scheme Document, the Letter to the Share Incentive Holders and the Form of Acceptance shall prevail over the Chinese language text.

10 February 2025

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NOTICE TO U.S. INVESTORS

The Proposal and the Scheme relate to the cancellation of the securities of a company incorporated under the laws of the Cayman Islands by way of a scheme of arrangement provided for under the Companies Act. The Share Incentive Proposal relates to an appropriate offer to be made by the Company to the Share Incentive Holders in respect of the Share Incentives held by them pursuant to Rule 13 of the Takeovers Code. The Proposal, the Scheme and the Share Incentive Proposal are subject to Hong Kong procedural disclosure requirements and practices which are different from those of the United States.

A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules of the United States Securities Exchange Act of 1934. Accordingly, the Proposal, the Scheme and the Share Incentive Proposal are subject to the procedural and disclosure requirements and practices applicable in the Cayman Islands and Hong Kong to schemes of arrangement and securities offer, which differ from the disclosure and procedural and practice requirements applicable under United States federal securities laws.

The receipt of cash pursuant to the Proposal, the Scheme or the Share Incentive Proposal by a U.S. holder of the Scheme Shares or the Share Incentives may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other, tax laws. Each holder of the Scheme Shares or the Share Incentives is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of the Proposal, the Scheme and the Share Incentive Proposal applicable to him/her/it.

It may be difficult for a U.S. holder of the Scheme Shares or the Share Incentives to enforce his/her/its rights and claims arising out of the U.S. federal securities laws, as the Company is incorporated in a country other than the United States, and some or all of their respective officers and directors may be residents of a country other than the United States. A U.S. holder of the Scheme Shares or the Share Incentives may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Further, it may be difficult for a U.S. holder of the Scheme Shares or the Share Incentives to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgement.

Neither the U.S. Securities and Exchange Commission nor any U.S. state securities commission has approved or disapproved the Proposal, the Scheme or the Share Incentive Proposal, or determined if this Scheme Document is accurate or complete. Any representation to the contrary is a criminal offence in the United States.

Neither this Scheme Document nor the Letter to the Share Incentive Holders is intended to, and neither shall, constitute, or form part of, an offer or invitation to purchase or subscribe for any securities of the Company in the United States.

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Forward-Looking Statements: This Scheme Document may include forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “envisages”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts and include statements regarding the Company’s or its affiliates’ intentions, beliefs or current expectations. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Readers are cautioned that forward-looking statements are not guarantees of future performance and that actual results or developments may differ materially from those made in or suggested by the forward-looking statements contained in this Scheme Document, and may not be indicative of results or developments in subsequent periods. The forward-looking statements and information contained in this Scheme Document are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws or the Takeovers Code.

Financial information disclosed in respect of the Proposal, the Scheme and the Share Incentive Proposal has been or will have been prepared in accordance with non-U.S. accounting standards that may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

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In this Scheme Document, the following words and expressions shall have the following meanings unless the context otherwise requires:

“2019 Share Award Plan”	the rules on the share award plan adopted by the Board and which became effective on 19 August 2019
“2019 Share Option Scheme”	the rules on the share option scheme approved by the shareholders of the Company and which became effective on 27 November 2019
“2019 Share Option(s)”	share options(s) granted by the Company pursuant to the 2019 Share Option Scheme
“2019 Share Unit(s)”	share unit(s) (vested or unvested) granted by the Company pursuant to the 2019 Share Award Plan
“2024 Share Award Plan”	the rules on the share award plan approved by the shareholders of the Company and which became effective on 14 May 2024
“2024 Share Option Scheme”	the rules on the share option scheme approved by the shareholders of the Company and which became effective on 14 May 2024
“2024 Share Option(s)”	share option(s) granted by the Company pursuant to the 2024 Share Option Scheme
“2024 Share Unit(s)”	share unit(s) (vested or unvested) granted by the Company pursuant to the 2024 Share Award Plan
“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Adjusted NAV”	the adjusted consolidated net asset value attributable to Shareholders per Share of HK\$10.74, which is provided by the Company and calculated based on the unaudited net asset value attributable to the Group as at 30 June 2024, adjusted with reference to the valuation of the Group’s property interests as at 30 November 2024, further details of which are set out in APPENDIX IV of this Scheme Document
“Amended and Restated Articles of Association”	the amended and restated articles of association of the Company proposed to be adopted at the EGM, the form of which is set out in APPENDIX VIII to this Scheme Document
“Announcement”	the announcement dated 10 December 2024 issued by the Company in relation to, among other things, the Proposal, the Scheme and the Share Incentive Proposal

“Applicable Laws”	any and all laws, rules, regulations, judgments, decisions, decrees, orders, injunctions, treaties, directives, guidelines, standards, notices and/or other legal, regulatory and/or administrative requirements of any Authority
“Approval”	any approval, authorisation, ruling, permission, waiver, consent, licence, permit, clearance, registration or filing which is required or desirable under any Applicable Law, or any licence, permit or contractual obligation of any member of the Group, for or in connection with the Proposal or the implementation of the Proposal in accordance with its terms and conditions (including the withdrawal of the listing of the Shares from the Stock Exchange), in each case excluding any filing or notification to any Authority which does not require such Authority’s approval, acknowledgement, permission, consent or clearance
“Articles of Association”	the articles of association of the Company
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Authority”	any supranational, national, federal, state, regional, provincial, municipal, local or other government, governmental, quasi-governmental, legal, regulatory or administrative authority, department, branch, agency, commission, bureau or body (including any securities or stock exchange) or any court, tribunal, or judicial or arbitral body
“Beneficial Owner”	any beneficial owner of the Shares whose Shares are registered in the name of a Registered Owner
“Board”	the board of Directors
“Cancellation Price”	the cancellation price of HK\$7.80 for the cancellation of each Scheme Share payable in cash by the Company to the Scheme Shareholders pursuant to the Scheme
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“CCASS Participant”	a person admitted to participate in CCASS as a participant, including an Investor Participant
“China Clear”	China Securities Depository and Clearing Corporation Limited
“Companies Act”	the Companies Act (2023 Revision) (As Revised) of the Cayman Islands

“Company”	Fosun Tourism Group, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1992)
“Company Concert Parties”	persons who are acting in concert or presumed to be acting in concert with the Company under the Takeovers Code, including: (a) the Controlling Shareholders; (b) the Directors and the FIL Directors (together with their close relatives, related trusts and companies controlled by any of them, their close relatives or related trusts); (c) the Share Award Trustee; and (d) members of the Deutsche Bank group and the Fosun International Capital group (except in the capacity of exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purpose of the Takeovers Code)
“Condition(s)”	the condition(s) to the implementation of the Proposal and the Scheme as set out in the section headed “3. <i>Conditions of the Proposal and the Scheme</i> ” in Part VI — Explanatory Memorandum of this Scheme Document
“Control”	has the meaning given to it in the Takeovers Code, and “Controlling” and “Controlled” shall be construed accordingly
“Controlling Shareholders”	Fosun International, FHL and FIHL
“Controlling Shareholders Rollover Arrangement”	the arrangement between the Company and the Controlling Shareholders as set out in the section headed “5. <i>Special Deal relating to Controlling Shareholders Rollover Arrangement</i> ” in Part VI — Explanatory Memorandum of this Scheme Document
“Court Hearing”	the hearing of the petition by the Grand Court for the sanction of the Scheme
“Court Meeting”	a meeting of the Scheme Shareholders convened at the direction of the Grand Court at 3:00 p.m. on Tuesday, 4 March 2025 at which the Scheme (with or without modification) will be voted upon, or any adjournment thereof
“CSRC”	the China Securities Regulatory Commission
“Deutsche Bank”	Deutsche Bank AG, Hong Kong Branch, a registered institution under the SFO to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance), and type 9 (asset management) regulated activities under the SFO, being the lead financial adviser to the Company in respect of the Proposal

“Director(s)”	the director(s) of the Company
“Disinterested Shareholders”	the holders of Disinterested Shares, including, for the avoidance of doubt, any member of the Deutsche Bank group acting in the capacity of an exempt principal trader or exempt fund manager for the purpose of the Takeovers Code
“Disinterested Shares”	the Shares other than any Shares which are beneficially owned by (i) the Company or any Company Concert Party (excluding, for the avoidance of doubt, any Share(s) held by any member of the Deutsche Bank group or Fosun International Securities Limited (an indirectly wholly-owned subsidiary of Fosun International) on a non-discretionary and non-proprietary basis for and on behalf of its clients who are not the Company or a Company Concert Party, and excluding any member of the Deutsche Bank group acting in the capacity of an exempt principal trader or exempt fund manager for the purpose of the Takeovers Code); (ii) those who are interested or involved in the Controlling Shareholder Rollover Arrangement; and (iii) those who have a material interest in the Proposal different from other Shareholders
“€” or “EUR”	Euros, the single currency of participating members of the European Union
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Act and the Conditions
“EGM”	an extraordinary general meeting of the Company to be held at 3:30 p.m. on Tuesday, 4 March 2025 (or as soon as practicable after the conclusion or adjournment of the Court Meeting) for the purpose of approving, among other things, the reduction of the issued share capital of the Company as a result of the cancellation of the Scheme Shares and the implementation of the Scheme
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate(s) of the Executive Director
“exempt fund managers”	has the meaning ascribed to it in the Takeovers Code
“exempt principal traders”	has the meaning ascribed to it in the Takeovers Code
“FHL”	Fosun Holdings Limited, a company incorporated in Hong Kong with limited liability, 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
“FIL Directors”	the directors of Fosun International, being the executive directors, namely Mr. Guo Guangchang, Mr. Wang Qunbin, Mr. Chen Qiyu, Mr. Xu Xiaoliang, Mr. Gong Ping, Mr. Huang Zhen and Mr. Pan Donghui; the non-executive directors, namely Mr. Yu Qingfei, Mr. Li Shupeil and Mr. Li Fuhua; and the independent non-executive directors, namely Mr. Zhang Shengman, Mr. Zhang Huaqiao, Mr. David T. Zhang, Dr. Lee Kai-Fu and Ms. Tsang King Suen Katherine
“Form of Acceptance”	the form of acceptance despatched to the Share Incentive Holders in connection with the Share Incentive Proposal
“Fosun International”	Fosun International Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 0656), and one of the Controlling Shareholders
“Fosun International Capital”	Fosun International Capital Limited, the joint financial adviser to the Company in respect of the Proposal. Fosun International Capital is a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, an indirectly wholly owned subsidiary of Fosun International Limited, a company listed on the Stock Exchange (Stock Code: 656)
“Grand Court”	the Grand Court of the Cayman Islands
“Greater China”	for the purposes of this Scheme Document only, Mainland China, Hong Kong, Macau and Taiwan
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Financial Adviser”	Altus Capital Limited, a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the independent financial adviser to advise the Disinterested Shareholders and the Share Incentive Holders as to: (i) whether the terms of the Proposal, the Scheme, the Share Incentive Proposal and the Controlling Shareholders Rollover Arrangement are, or are not, fair and reasonable; and (ii) whether (a) the Disinterested Shareholders are to vote in favour of the Scheme at the Court Meeting and the resolutions in connection with the implementation of the Proposal at the EGM; and (b) the Share Incentive Holders are to accept the Share Incentive Proposal
“Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“Last Trading Date”	26 November 2024, being the last day on which the Shares were traded on the Stock Exchange before publication of the Announcement
“Latest Practicable Date”	7 February 2025, being the latest practicable date for ascertaining certain information contained in this Scheme Document
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time
“Long Stop Date”	10 June 2025 or such later date as may be determined by the Company or, to the extent applicable, as the Grand Court may direct and in all cases, as permitted by the Executive and consented to by Deutsche Bank
“Macau”	the Macau Special Administrative Region of the PRC
“Meeting Record Date”	Tuesday, 4 March 2025, or such other date as shall have been announced to the Shareholders, being the record date for the purpose of determining the entitlement of the Scheme Shareholders to attend and vote at the Court Meeting and the entitlement of the Shareholders to attend and vote at the EGM
“NDRC”	the National Development and Reform Commission
“offer period”	has the meaning ascribed to it in the Takeovers Code, which commenced on 10 December 2024, being the date of the Announcement

“Other CCASS Participant”	a broker, custodian, nominee or other relevant person who is, or has deposited Shares with, a CCASS Participant
“PRC” or “China”	the People’s Republic of China and, for the purpose of this Scheme Document only, excluding Hong Kong, Macau and Taiwan
“Pre-IPO Share Option Scheme”	the rules on the pre-IPO share option scheme adopted by the Company on 29 December 2017 and approved by the shareholders of Fosun International on 23 February 2018
“Pre-IPO Share Option(s)”	share options(s) granted by the Company pursuant to the Pre-IPO Share Option Scheme
“Profit Warning Announcement”	the profit warning announcement dated 28 January 2025 issued by the Company
“Property Valuers”	Cushman & Wakefield Limited, Shenzhen WorldUnion Asset Appraisal Co., Ltd, Grupo Nacional de Avaluos y Servicios S.A. de C.V., PPC International SDN BHD and KJPP Wiseso dan Rekan, the independent property valuers which carried out a valuation of the Group’s property interests, further details of which are set out in APPENDIX IV of this Scheme Document
“Proposal”	the proposal for the privatisation of the Company by way of the Scheme, and the withdrawal of the listing of the Shares from the Stock Exchange, on the terms and subject to the Conditions set out in this Scheme Document
“Record Date”	Monday, 17 March 2025, or such other date as shall have been announced to the Shareholders, being the record date for the purpose of determining the entitlements of the Scheme Shareholders under the Scheme
“Registered Owner”	any person (including without limitation a nominee, trustee, depository or any other authorised custodian or third party) whose name is entered in the register of members of the Company as a holder of the Shares
“Relevant Period”	the period commencing on 10 June 2024, being that date that falls six months prior to the date of the Announcement, and ended on the Latest Practicable Date
“relevant securities”	has the meaning given to it in Note 4 to Rule 22 of the Takeovers Code
“RMB”	Renminbi, the lawful currency of the PRC

“Scheme”	the scheme of arrangement under section 86 of the Companies Act for the implementation of the Proposal
“Scheme Document”	this composite scheme document of the Company containing, among other things, further details of the Proposal, the Share Incentive Proposal and the Scheme, a letter from the Board, a letter of advice from the Independent Financial Adviser, and notices to convene the Court Meeting and EGM together with forms of proxy in relation thereto
“Scheme Share(s)”	the Share(s) in issue on the Record Date, other than the Shares held by the Controlling Shareholders
“Scheme Shareholder(s)”	the registered holder(s) of the Scheme Share(s) as at the Record Date
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shanghai Connect”	a securities trading and clearing links programme developed by the Hong Kong Stock Exchange, the Shanghai Stock Exchange and China Clear for the establishment of mutual market access between Hong Kong and Shanghai
“Share Award Trustee”	Bank of Communications Trustee Limited, the trustee appointed to hold Shares pending the vesting of 2019 Share Units and 2024 Share Units granted pursuant to the 2019 Share Award Plan and 2024 Share Award Plan
“Share Incentive Holder(s)”	holder(s) of Share Incentives
“Share Incentive Proposal”	the Vested Option Proposal and the Unvested Share Incentive Proposal, details of which are set out in the section headed “4. <i>Share Incentive Proposal</i> ” in Part VI — Explanatory Memorandum
“Share Incentive(s)”	any Pre-IPO Share Option(s), 2019 Share Option(s), 2019 Share Unit(s), 2024 Share Option(s) and/or 2024 Share Unit(s) (as the case may be)
“Share Option(s)”	any Pre-IPO Share Option(s), the 2019 Share Option(s), and/or the 2024 Share Option(s) (as the case may be)
“Share Unit(s)”	any 2019 Share Unit(s) and/or 2024 Share Unit(s) (as the case may be)

“Share(s)”	share(s) with a nominal value of EUR0.0001 each in the share capital of the Company
“Shareholder(s)”	the registered holder(s) of Share(s)
“Shenzhen Connect”	a securities trading and clearing links programme developed by the Hong Kong Stock Exchange, the Shenzhen Stock Exchange and China Clear for the establishment of mutual market access between Hong Kong and Shenzhen
“Southbound Investors”	investors who hold Shares through China Clear under the Shanghai Connect and Shenzhen Connect
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers issued by the SFC in Hong Kong as amended from time to time
“trading day”	a day on which the Stock Exchange is open for the business of dealings in securities
“Trustee Allocated Scheme Shares”	the Scheme Shares held by the Share Award Trustee on trust for certain employees of the Group, which are the underlying Shares in respect of certain vested Share Incentives which have not yet been transferred from the Share Award Trustee to such employees due to administrative reasons, being 15,000 Shares in aggregate as at the Latest Practicable Date representing approximately 0.0012% of the issued share capital of the Company
“Trustee Scheme Shares”	the Scheme Shares held by the Share Award Trustee, including the Trustee Allocated Scheme Shares and the Trustee Unallocated Scheme Shares
“Trustee Unallocated Scheme Shares”	the Shares held by the Share Award Trustee for the purposes of satisfying future grants or vesting of 2019 Share Units and 2024 Share Units. As at the Latest Practicable Date, the Share Award Trustee does not hold any Trustee Unallocated Scheme Shares
“Unvested 2019 Share Options”	the 2019 Share Options which have not yet vested as at the Latest Practicable Date
“Unvested 2019 Share Units”	the 2019 Share Units which have not yet vested as at the Latest Practicable Date
“Unvested 2024 Share Options”	the 2024 Share Options which have not yet vested as at the Latest Practicable Date

“Unvested 2024 Share Units”	the 2024 Share Units which have not yet vested as at the Latest Practicable Date
“Unvested Pre-IPO Share Options”	the Pre-IPO Share Options which have not yet vested as at the Latest Practicable Date
“Unvested Share Incentive Holders”	the holders of Unvested Share Incentives
“Unvested Share Incentive Proposal”	the proposal offered by the Company to each Unvested Share Incentive Holder as further detailed in the section headed “ <i>Unvested Share Incentive Proposal</i> ” in Part VI — Explanatory Memorandum of this Scheme Document
“Unvested Share Incentives”	the Unvested Pre-IPO Share Options, Unvested 2019 Share Options, the Unvested 2024 Share Options, the Unvested 2019 Share Units and the Unvested 2024 Share Units
“U.S.” or “United States”	the United States of America
“U.S. SEC”	the United States Securities and Exchange Commission
“US\$”	United States dollars, the lawful currency of the United States
“Vested 2019 Share Options”	the 2019 Share Options which have vested as at the Latest Practicable Date
“Vested Option Holders”	the holders of Vested Options
“Vested Option Proposal”	the proposal offered by the Company to each Vested Option Holder as further detailed in the section headed “ <i>Vested Option Proposal</i> ” in Part VI — Explanatory Memorandum of this Scheme Document
“Vested Options”	the Vested Pre-IPO Share Options and the Vested 2019 Share Options
“Vested Pre-IPO Share Options”	the Pre-IPO Share Options which have vested as at the Latest Practicable Date
“%”	per cent.

All references in this Scheme Document to times and dates are references to Hong Kong times and dates, except as otherwise specified and except for references to the expected date of the Court Hearing and the Effective Date, which are the relevant dates in the Cayman Islands. For reference only, Cayman Islands time is 13 hours behind Hong Kong time as at the date of this Scheme Document.

Unless otherwise specified in this Scheme Document, conversions of RMB into HK\$ are made in this Scheme Document, for illustration only, at the rate of RMB0.9237 to HK\$1.00. No representation is made that any amounts in RMB or HK\$ could have been or could be converted at that rate or at any other rates or at all.

In the event of any inconsistency between the English version and the Chinese version of this Scheme Document, the English version shall prevail.

1. ACTIONS TO BE TAKEN BY SHAREHOLDERS

For the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, 27 February 2025 to Tuesday, 4 March 2025 (both days inclusive) and during such period, no transfer of Shares will be effected. In order to qualify to vote at the Court Meeting and the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Wednesday, 26 February 2025.

A **PINK** form of proxy for use at the Court Meeting and a **WHITE** form of proxy for use at the EGM are enclosed with this Scheme Document.

Whether or not you are able to attend the Court Meeting and/or EGM or any adjournment(s) thereof in person, if you are a Scheme Shareholder, you are strongly urged to complete and sign the enclosed **PINK** form of proxy in respect of the Court Meeting, and if you are a Shareholder, you are strongly urged to complete and sign the enclosed **WHITE** form of proxy in respect of the EGM in accordance with the instructions printed thereon, and to deposit them at the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible, but in any event no later than the following times and dates:

- the **PINK** form of proxy for use at the Court Meeting should be lodged no later than 3:00 p.m. on Sunday, 2 March 2025 (or 48 hours before an adjourned Court Meeting) but if it is not so lodged, it may alternatively be handed to the chairman of the Court Meeting at the Court Meeting; and
- the **WHITE** form of proxy for use at the EGM must be lodged no later than 3:30 p.m. on Sunday, 2 March 2025 (or 48 hours before an adjourned EGM), failing which it will not be valid.

The completion and return of a form of proxy for the Court Meeting and/or the EGM will not preclude you from attending and voting in person at the relevant meeting. In such event, the returned form of proxy will be revoked by operation of law.

Voting at the Court Meeting and the EGM will be taken by poll as required under the Listing Rules and the Takeovers Code.

If you do not appoint a proxy and do not attend and vote at the Court Meeting and/or the EGM, you will still be bound by the outcome of the Court Meeting and the EGM, if, among other things, the resolutions are passed by the requisite majorities of the Scheme Shareholders, Disinterested Shareholders or the Shareholders (as the case may be). You are therefore strongly urged to attend and vote at the Court Meeting and/or the EGM in person or by proxy.

The Company will make an announcement in relation to the results of the Court Meeting and the EGM on Tuesday, 4 March 2025 by no later than 7:00 p.m.. If all of the resolutions are passed at the Court Meeting and/or the EGM, further announcement(s) will be made in relation to, among other things, the outcome of the Court Hearing and, if the Scheme is sanctioned, the Record Date, the Effective Date and the date of withdrawal of the listing of the Shares from the Stock Exchange, in accordance with the requirements of the Takeovers Code and the Listing Rules.

2. ACTIONS TO BE TAKEN BY BENEFICIAL OWNERS WHOSE SHARES ARE HELD BY A REGISTERED OWNER

No person shall be recognised by the Company as holding any Shares on trust.

If you are a Beneficial Owner whose Share(s) are registered in the name of a Registered Owner (other than HKSCC Nominees), you should contact the Registered Owner and give instructions to and/or make arrangements with the Registered Owner as to the manner in which the Share(s) beneficially owned by you should be voted at the Court Meeting and/or the EGM.

If you are a Beneficial Owner who wishes to attend and vote at the Court Meeting and/or the EGM personally, you should:

- (a) contact the Registered Owner directly to make appropriate arrangements with the Registered Owner to enable you to attend and vote at the Court Meeting and/or the EGM and, for such purpose, the Registered Owner may appoint you as his/her/its proxy; or
- (b) arrange for some or all of the Shares registered in the name of the Registered Owner to be transferred into your own name and become a registered Shareholder as at the Meeting Record Date, if you wish to vote (in person or by proxy) at the Court Meeting and/or the EGM.

Instructions to and/or arrangements with the Registered Owner should be given or made in advance of the relevant latest time for the lodgement of forms of proxy in respect of the Court Meeting and the EGM or, as applicable, the latest time for lodging transfers of Shares, in order to provide the Registered Owner with sufficient time to complete his/her/its forms of proxy or transfer documents accurately and to submit them by the relevant deadlines. To the extent that any Registered Owner requires instructions from or arrangements to be made with any Beneficial Owner at a particular date or time in advance of the relevant latest time for the lodgement of forms of proxy in respect of the

Court Meeting and/or the EGM or, as applicable, the latest time for lodging transfers of Shares, any such Beneficial Owner should comply with the requirements of such Registered Owner.

The appointment of a proxy by the Registered Owner at the relevant Court Meeting and/or the EGM shall be in accordance with all relevant provisions in the Articles of Association.

In the case of the appointment of a proxy by the Registered Owner, the relevant forms of proxy shall be completed and signed by the Registered Owner and shall be lodged in the manner and before the latest time for lodging the relevant forms of proxy as more particularly set out in this Scheme Document.

The completion and return of a form of proxy for the Court Meeting and/or the EGM will not preclude the Registered Owner from attending and voting in person at the relevant meeting or any adjournment thereof should he/she/it so wish, and, in such event, the relevant form of proxy will be revoked by operation of law.

3. ACTIONS TO BE TAKEN BY BENEFICIAL OWNERS WHOSE SHARES ARE DEPOSITED IN CCASS

If you are a Beneficial Owner whose Share(s) are deposited in CCASS and registered under the name of HKSCC Nominees, you must, unless you are an Investor Participant:

- (a) contact your broker, custodian, nominee or other relevant person who is, or has in turn deposited such Shares with, a CCASS Participant, regarding voting instructions to be given to such Other CCASS Participants if you wish to vote at the Court Meeting and/or at the EGM. You should contact your broker, custodian, nominee or other relevant person in advance of the latest time for the lodgement of forms of proxy in respect of the Court Meeting and the EGM, in order to provide such person with sufficient time to provide HKSCC Nominees with instructions or make arrangements with HKSCC Nominees in relation to the manner in which the Share(s) beneficially owned by you should be voted at the Court Meeting and/or the EGM; or
- (b) become a registered Shareholder as at the Meeting Record Date and thereby have the right to attend and vote at the Court Meeting and/or the EGM (as appropriate) by withdrawing any or all of your Share(s) from CCASS and becoming a Registered Owner of such Share(s). For withdrawal of Shares from CCASS and registration thereof, you will be required to pay to CCASS a withdrawal fee per board lot withdrawn, a registration fee for each share certificate issued, stamp duty on each transfer instrument and, if your Share(s) are held through a financial intermediary, any other relevant fees charged by your financial intermediary. You should contact your broker, custodian, nominee or other relevant person in advance of the latest time for lodging transfers of the Share(s) into your name so as to qualify to attend and vote at the Court Meeting

and/or the EGM, in order to provide such broker, custodian, nominee or other relevant person with sufficient time to withdraw the Share(s) from CCASS and register them in your name.

If you are a Southbound Investor, you should declare your voting instructions via clearing participants through the CCNET system of China Clear anytime from the date of this Scheme Document until one trading day earlier than the last day for voting set by HKSCC Nominees. China Clear will collect voting instructions from Southbound Investors for the Court Meeting, and then submit such voting instructions to HKSCC Nominees on behalf of the Southbound Investors.

The procedures for voting in respect of the Scheme by the Investor Participants and the Other CCASS Participants with respect to Shares registered under the name of HKSCC Nominees shall be in accordance with the “Operating Guide for Investor Participants”, the “General Rules of CCASS” and the “CCASS Operational Procedures” in effect from time to time.

4. ACTIONS TO BE TAKEN BY SHARE INCENTIVE HOLDERS

The Letter to the Share Incentive Holders is being sent to each Share Incentive Holder, together with this Scheme Document and a Form of Acceptance. If you are a Share Incentive Holder and you wish to accept the Share Incentive Proposal, you must complete and return the duly completed and executed Form of Acceptance so to incentive@fosunholiday.com by no later than 4:30 p.m. on Wednesday, 5 March 2025 (or such later date and time as may be notified to you by the Company). No acknowledgement of receipt of any Form of Acceptance will be given.

The Company is making an appropriate offer to the Share Incentive Holders in accordance with Rule 13 of the Takeovers Code.

Further details are set out in the section headed “4. *Share Incentive Proposal*” in Part VI — Explanatory Memorandum of this Scheme Document.

You are urged to read the instructions and other terms and conditions of the Share Incentive Proposal in the Letter to the Share Incentive Holders, substantially in the form set out in APPENDIX XI to this Scheme Document, and the enclosed Form of Acceptance.

5. EXERCISE YOUR RIGHT TO VOTE

If you are a Shareholder or a Beneficial Owner, you are strongly encouraged to exercise your right to vote or give instructions to the relevant Registered Owner to vote in person or by proxy at the Court Meeting and/or the EGM.

If you are a Registered Owner holding Share(s) on behalf of one or more Beneficial Owners, you should inform the relevant Beneficial Owner(s) about the importance of exercising their right to vote.

If you keep any Share(s) in a share lending programme, you are encouraged to recall any outstanding Shares on loan to avoid market participants using borrowed stock to vote.

If you are a Beneficial Owner whose Share(s) are deposited in CCASS, you are strongly encouraged to provide your broker, custodian, nominee or other relevant person without delay with instructions or make arrangements with HKSCC Nominees in relation to the manner in which those Share(s) should be voted at the Court Meeting and/or at the EGM, and/or withdraw some or all of your Share(s) from CCASS and become a Registered Owner of such Shares as at the Meeting Record Date and exercise your right to vote (in person or by proxy) at the Court Meeting and/or the EGM.

IF APPROVED, THE PROPOSAL WILL BE BINDING ON ALL OF THE SCHEME SHAREHOLDERS, IRRESPECTIVE OF WHETHER OR NOT YOU ATTENDED OR VOTED AT THE COURT MEETING OR THE EGM.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR LICENSED SECURITIES DEALER OR REGISTERED INSTITUTION IN SECURITIES, BANK MANAGER, SOLICITOR, PROFESSIONAL ACCOUNTANT OR OTHER PROFESSIONAL ADVISER.

SCHEME SHAREHOLDERS WHO VOTED AT THE COURT MEETING (INCLUDING ANY BENEFICIAL OWNERS WHO GAVE VOTING INSTRUCTIONS TO A CUSTODIAN OR CLEARING HOUSE WHO SUBSEQUENTLY VOTED AT THE COURT MEETING) SHOULD NOTE THAT THEY ARE ENTITLED TO ATTEND OR APPEAR BY COUNSEL, AND BE HEARD ON THE COURT HEARING OF THE PETITION AT THE GRAND COURT OF THE CAYMAN ISLANDS WHICH IS EXPECTED TO BE ON FRIDAY, 14 MARCH 2025 AT 10:00 A.M. (CAYMAN ISLANDS TIME), AT WHICH THE COMPANY WILL SEEK THE SANCTION OF THE SCHEME.

The expected timetable is indicative only and is subject to change. Further announcement(s) will be made if there is any change to the following expected timetable. Unless otherwise specified, all times and dates refer to Hong Kong local dates and times.

**Hong Kong time
(unless otherwise specified)**

Despatch of this Scheme Document and the Letter to the Share Incentive Holders	Monday, 10 February 2025
Latest time for Share Incentive Holders to lodge notice of exercise of their Share Options in order to become entitled to attend and vote at the Court Meeting and the EGM	4:30 p.m. on Friday, 21 February 2025
Latest time for lodging transfers of Shares in order to become entitled to attend and vote at the Court Meeting and the EGM	4:30 p.m. on Wednesday, 26 February 2025
Register of members of the Company closed for determining entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and entitlements of the Shareholders to attend and vote at the EGM (<i>Note 1</i>)	Thursday, 27 February 2025 to Tuesday, 4 March 2025 (both days inclusive)
Latest time for lodging PINK forms of proxy in respect of the Court Meeting (<i>Note 2</i>)	3:00 p.m. on Sunday, 2 March 2025
Latest time for lodging WHITE forms of proxy in respect of the EGM (<i>Note 2</i>)	3:30 p.m. on Sunday, 2 March 2025
Meeting Record Date	Tuesday, 4 March 2025
Court Meeting (<i>Note 3</i>)	3:00 p.m. on Tuesday, 4 March 2025
EGM (<i>Note 3</i>)	3:30 p.m. on Tuesday, 4 March 2025 (or as soon as practicable after the conclusion or adjournment of the Court Meeting)

**Hong Kong time
(unless otherwise specified)**

Announcement of the results of the Court Meeting and the EGM	no later than 7:00 p.m. on Tuesday, 4 March 2025
Expected last time for trading of the Shares on the Stock Exchange	4:10 p.m. on Wednesday, 5 March 2025
Latest time and date to accept the Share Incentive Proposal (<i>Note 4</i>)	4:30 p.m. on Wednesday, 5 March 2025
Latest time for Share Incentive Holders to lodge notice of exercise of their Share Options in order to qualify for entitlements under the Scheme	4:30 p.m. on Wednesday, 5 March 2025
Latest time for lodging transfers of Shares in order to qualify for entitlements under the Scheme	4:30 p.m. on Monday, 10 March 2025
Register of members of the Company closed for determining entitlements under the Scheme (<i>Note 5</i>)	from Tuesday, 11 March 2025 onwards
Court Hearing	Friday, 14 March 2025 (Cayman Islands time)
Announcement of (1) the results of the Court Hearing, (2) the expected Effective Date, and (3) the expected date of withdrawal of the listing of the Shares from the Stock Exchange	no later than 8:30 a.m. on Monday, 17 March 2025
Record Date	Monday, 17 March 2025
Effective Date and the effective date of the Share Incentive Proposal (<i>Note 6</i>)	Monday, 17 March 2025 (Cayman Islands time)

**Hong Kong time
(unless otherwise specified)**

Announcement of (1) the Effective Date,
(2) the results of the Share Incentive Proposal and
(3) the withdrawal of the listing of the Shares
from the Stock Exchange no later than 8:30 a.m. on
Tuesday, 18 March 2025

Withdrawal of the listing of the Shares
from the Stock Exchange becomes
effective (*Note 7*) 4:00 p.m. on
Wednesday, 19 March 2025

Latest time to (1) despatch cheques for cash payment of
the Cancellation Price to the Scheme Shareholders
under the Scheme and (2) despatch cheques or effect
bank transfer for cash payment to the Share
Incentive Holders (other than holders of the
Unvested 2024 Share Options, Unvested 2019 Share
Units, and Unvested 2024 Share Units)
who have accepted the Share Incentive
Proposal (*Notes 8 and 9*) on or before
Wednesday, 26 March 2025

Notes:

1. The register of members of the Company will be closed during such period for the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and the Shareholders to attend and vote at the EGM. This book closure period is not for determining the entitlements under the Scheme.
2. Forms of proxy should be deposited at the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible, but in any event no later than the respective times and dates stated above. In the case of the **PINK** form of proxy in respect of the Court Meeting, it may alternatively be handed to the chairman of the Court Meeting at the Court Meeting. If the **WHITE** form of proxy is not lodged at least 48 hours before the time appointed for the EGM (or any adjournment thereof), it will not be valid. The completion and return of a form of proxy for the Court Meeting or the EGM will not preclude a Scheme Shareholder or a Shareholder (as the case may be) from attending and voting at the relevant meeting or any adjournment thereof in person. In such event, the relevant form of proxy will be revoked by operation of law.
3. The Court Meeting and the EGM will be held at 8th Floor, Tower T1, No. 118 Feihong Road, Hongkou District, Shanghai, the PRC, at the times and dates specified above. Please refer to the notice of Court Meeting set out in APPENDIX IX of this Scheme Document and the notice of EGM set out in APPENDIX X of this Scheme Document for details.
4. Form of Acceptance, duly completed in accordance with the instructions on them, must be returned to incentive@fosunholiday.com by no later than 4:30 p.m. on Wednesday, 5 March 2025 (or such later date and time as may be notified to you by the Company).

5. The register of members of the Company will be closed during such period for the purpose of determining the Scheme Shareholders who are qualified for entitlements under the Scheme.
6. The Scheme will become effective upon the fulfilment or waiver (as applicable) of all of the Conditions to the Proposal as set out in the section headed “3. *Conditions of the Proposal and the Scheme*” in Part VI — Explanatory Memorandum of this Scheme Document.
7. If the Proposal becomes unconditional and the Scheme becomes effective, it is expected that the listing of the Shares on the Stock Exchange will be withdrawn at 4:00 p.m. on Wednesday, 19 March 2025.
8. Cheques for payment of the Cancellation Price to the Scheme Shareholders will be despatched within 7 business days (as defined in the Takeovers Code) following the Effective Date by ordinary post in postage pre-paid envelopes addressed to the person(s) entitled thereto at their respective addresses as appearing on the register of members of the Company as at the Record Date or, in the case of joint holders, at the address appearing on the register of members of the Company as at the Record Date of the joint holder whose name then stands first in the Register in respect of the relevant joint holding.

Payment (by cheque or bank transfer) for acceptances under the Share Incentive Proposal in respect of Share Incentives in issue as at the Record Date (other than the Unvested 2024 Share Options, Unvested 2019 Share Units, and Unvested 2024 Share Units) will be despatched or made within 7 business days (as defined in the Takeovers Code) following the Effective Date and (if made by way of cheques) shall be despatched by ordinary post in postage pre-paid envelopes addressed to the relevant Share Incentive Holders at their respective last known addresses as notified by the Share Incentive Holders to the Group or (if made by way of bank transfers) shall be paid into the relevant Share Incentive Holders’ bank account as customarily used by them to receive other compensations from the Group (or as otherwise notified by such Share Incentive Holders to the Group).

9. If any severe weather condition is in effect at 12:00 noon and/or thereafter on Wednesday, 26 March 2025, the latest time to (1) despatch cheques for cash payment of the Cancellation Price to the Scheme Shareholders under the Scheme and (2) despatch cheques or effect bank transfer for cash payment to the Share Incentive Holders (other than holders of the Unvested 2024 Share Options, Unvested 2019 Share Units, and Unvested 2024 Share Units) who have accepted the Share Incentive Proposal may be postponed to the next business day (that does not have any severe weather condition at 12:00 noon or thereafter), i.e. Thursday, 27 March 2025 (or a later date that does not have any severe weather condition at 12:00 noon or thereafter).

For the purpose of this document, “severe weather” refers to the scenario where a tropical cyclone warning signal number 8 or above is hoisted, or “extreme conditions” announced by the Hong Kong Government or a black rainstorm warning is/are in force in Hong Kong. Further announcement(s) will be made if there is any change to the expected timetable as a result of any severe weather.

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)

Executive Directors:

Mr. Xu Xiaoliang
Mr. Xu Bingbin
Mr. Choi Yin On

Non-executive Directors:

Mr. Pan Donghui
Mr. Huang Zhen

Independent Non-executive Directors:

Dr. Allan Zeman
Mr. Guo Yongqing
Ms. Katherine Rong Xin
Mr. He Jianmin

Registered Office:

Harneys Fiduciary (Cayman) Limited
4th Floor, Harbour Place
103, South Church Street
P.O. Box 10240
Grand Cayman KY1-1002
Cayman Islands

Principal Place of Business

in Hong Kong:

Rooms 808 & 2101-06
ICBC Tower
3 Garden Road
Central
Hong Kong

10 February 2025

To the Shareholders and Share Incentive Holders

Dear Sir or Madam,

**(1) PROPOSED SHARE BUY-BACK OF
FOSUN TOURISM GROUP
BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 86 OF THE COMPANIES ACT
AND
(2) PROPOSED WITHDRAWAL OF LISTING OF
FOSUN TOURISM GROUP**

1. INTRODUCTION

On 9 December 2024, the Board resolved to put forward the Proposal to the Scheme Shareholders for the proposed share buy-back of the Company by way of a scheme of arrangement under section 86 of the Companies Act involving the cancellation of the Scheme Shares and, in consideration thereof, the payment to the Scheme Shareholders of the Cancellation Price in cash for each Scheme Share, and the withdrawal of the listing of the Shares from the Stock Exchange.

If the Proposal is approved and implemented, under the Scheme, the Scheme Shares will be cancelled and extinguished on the Effective Date and the issued share capital of the Company will be reduced. The credit created as a result of the cancellation of the Scheme Shares will be credited to a distributable reserve of the Company.

The purpose of this Scheme Document is to provide you with further information regarding the Proposal, the Scheme and the Share Incentive Proposal, and to give you notices of the Court Meeting and the EGM, together with the forms of proxy in relation thereto. Your attention is also drawn to (i) the letter from the Independent Financial Adviser set out in Part V of this Scheme Document; (ii) the Explanatory Memorandum set out in Part VI of this Scheme Document; and (iii) the terms of the Scheme set out in APPENDIX VII of this Scheme Document.

2. TERMS OF THE PROPOSAL

The Scheme

Subject to the Scheme becoming effective, all of the Scheme Shares will be cancelled in exchange for HK\$7.80 in cash for each Scheme Share.

Your attention is drawn to the section headed “2. *Terms of the Proposal — The Scheme*” in Part VI — Explanatory Memorandum of this Scheme Document.

Settlement of the Cancellation Price to which any Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which the Company may otherwise be, or claim to be, entitled against such Scheme Shareholder.

Highest and lowest prices

Your attention is drawn to the section headed “2. *Terms of the Proposal — Highest and lowest prices*” in Part VI — Explanatory Memorandum of this Scheme Document.

3. CONDITIONS OF THE PROPOSAL AND THE SCHEME

The Proposal and the Scheme will only become effective and binding on the Company and all of the Scheme Shareholders if the Conditions set out in the section headed “3. *Conditions of the Proposal and the Scheme*” in Part VI — Explanatory Memorandum of this Scheme Document are fulfilled or waived (as applicable).

When all of the Conditions are fulfilled or waived (as applicable), the Scheme will become effective and binding on the Company and all Scheme Shareholders.

Warning: Shareholders, Share Incentive Holders and potential investors should be aware that the implementation of the Proposal, the Scheme and the Share Incentive Proposal is subject to the Conditions being fulfilled or (where applicable) waived. Accordingly, the Proposal and the Share Incentive Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

4. SHARE INCENTIVE PROPOSAL

Your attention is drawn to the section headed “4. *Share Incentive Proposal*” in Part VI — Explanatory Memorandum of this Scheme Document.

5. CONFIRMATION OF FINANCIAL RESOURCES

The Company has appointed Deutsche Bank as its lead financial adviser and Fosun International Capital as its joint financial adviser in respect of the Proposal and the Share Incentive Proposal. Deutsche Bank, as lead financial adviser to the Company, is satisfied that sufficient financial resources are available to the Company to satisfy its payment obligations in respect of the maximum cash consideration payable under the Proposal and the Share Incentive Proposal.

Your attention is drawn to the section headed “6. *Confirmation of Financial Resources*” in Part VI — Explanatory Memorandum of this Scheme Document.

6. SHAREHOLDING STRUCTURE OF THE COMPANY

Your attention is drawn to the section headed “7. *Shareholding Structure of the Company*” in Part VI — Explanatory Memorandum of this Scheme Document.

7. INFORMATION ON THE GROUP

Your attention is drawn to the section headed “8. *Information on the Group*” in Part VI — Explanatory Memorandum of this Scheme Document.

8. FINANCIAL EFFECTS OF THE PROPOSAL AND THE SHARE INCENTIVE PROPOSAL

Your attention is drawn to the section headed “11. *Financial Effects of the Proposal and the Share Incentive Proposal*” in Part VI — Explanatory Memorandum of this Scheme Document.

The unaudited pro forma financial information of the Group upon completion of the Proposal and the Share Incentive Proposal, illustrating the financial impact of the Proposal on the Group’s earnings per Share, net assets per Share, liabilities and working capital (expressed as net current assets) is set out in APPENDIX II to this Scheme Document.

9. INTENTION OF THE COMPANY WITH REGARD TO THE GROUP

It is the Company's intention that, subject to the Scheme becoming effective, all of the Scheme Shares will be cancelled and the Company has made an application to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange in accordance with Rule 6.15 of the Listing Rules, with effect immediately from 4:00 p.m. on Wednesday, 19 March 2025. Completion of the Proposal will not result in a change of control of the Company within the meaning of the Takeovers Code.

As at the Latest Practicable Date, the Company is contemplating a possible spin-off and separate REIT listing of Atlantis Sanya on the Shanghai Stock Exchange (the "**Proposed Spin-off Listing**"). Atlantis Sanya is a business segment of the Group which comprises the one-stop high-end comprehensive resort destination located in the Haitang Bay National Coast of Sanya, Hainan province, PRC, and which conducts hotel operation services and various supporting tourism and entertainment services ("**Atlantis Sanya**").

Shareholders and potential investors should note that the Proposed Spin-off Listing are subject to, among other things, approvals by the Shareholders, the Stock Exchange and relevant PRC regulators (including the NDRC, the CSRC and the Shanghai Stock Exchange). There is no assurance that the Proposed Spin-off Listing will proceed or complete. Accordingly, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

Other than as disclosed above, as at the Latest Practicable Date, it is the intention of the Company for the Group to continue to carry on its existing business and the Company does not have any plan to make any material change to: (a) the business of the Group (including any redeployment of any fixed asset of the Group); or (b) the continued employment of the employees of the Group (other than in the ordinary course of business).

As the Proposal involves a proposed share-buy-back of the Company by way of a scheme of arrangement under section 86 of the Companies Act, the Company has no intention to rely on sections 705, 711 to 716 and 718 to 721 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong) or any comparable company law in the Cayman Islands in relation to right of compulsory acquisition of Shares held by minority Shareholders.

10. PROFIT WARNING ANNOUNCEMENT AND PROFIT ESTIMATE

As disclosed in the Profit Warning Announcement, based on a preliminary view of the unaudited consolidated management accounts of the Group for the year ended 31 December 2024 (the "**Period**"), the net profit/loss attributable to equity holders of the Company for the Period will fall in the range between RMB50 million net loss and RMB10 million net profit, as compared to the audited net profit attributable to equity holders of the Company of RMB307.2 million for the financial year ended 31 December 2023.

The Board believes that the deterioration in the financial performance of the Group for the Period is mainly attributable to declined property sales in 2024 due to the housing market downturn in China.

The Profit Estimate (as defined in the Profit Warning Announcement) constitutes a “profit forecast” under Rule 10 of the Takeovers Code and shall be reported on by the Financial Adviser and the Company’s auditor in accordance with the requirements under Rule 10 of the Takeovers Code. The Profit Estimate has been reported on by Ernst & Young, the Company’s auditor and Deutsche Bank, the lead financial adviser of the Company. Ernst & Young has reported that, so far as the accounting policies and calculations are concerned, the Profit Estimate has been properly compiled in accordance with the bases adopted by the directors as set out in the Profit Warning Announcement and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the audited consolidated financial statements of the Group for the year ended 31 December 2023. Deutsche Bank is satisfied that the Profit Estimate has been prepared by the Directors with due care and consideration.

Your attention is drawn to the reports issued by Ernst & Young and Deutsche Bank on the Profit Estimate set out in APPENDIX V and APPENDIX VI to this Scheme Document respectively.

11. INDEPENDENT FINANCIAL ADVISER

As the Proposal and the Share Incentive Proposal are initiated by the Board, it is not possible for the Company to form an independent board committee to advise and make recommendations to the Disinterested Shareholders and the Share Incentive Holders as to: (i) whether the terms of the Proposal, the Scheme, the Share Incentive Proposal and the Controlling Shareholders Rollover Arrangement are, or are not, fair and reasonable; and (ii) whether (a) the Disinterested Shareholders are to vote in favour of the Scheme at the Court Meeting and the resolutions in connection with the implementation of the Proposal and the Scheme at the EGM; and (b) the Share Incentive Holders are to accept the Share Incentive Proposal.

Accordingly, under Rule 2.8 of the Takeovers Code, the Board has appointed Altus Capital Limited as the Independent Financial Adviser to advise the Disinterested Shareholders and the Share Incentive Holders on the Proposal and the Share Incentive Proposal.

The Independent Financial Adviser has advised the Disinterested Shareholders and the Share Incentive Holders that it considers that the terms of the Proposal, the Scheme, the Share Incentive Proposal and the Controlling Shareholders Rollover Arrangement are fair and reasonable so far as the Disinterested Shareholders and Share Incentive Holders are respectively concerned, and accordingly, it advises (a) the Disinterested Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the EGM to approve and implement the Proposal and the Scheme; and (b) the Share Incentive Holders to accept the Share Incentive Proposal.

The full text of the letter from the Independent Financial Adviser is set out in Part V of this Scheme Document.

12. REASONS FOR AND BENEFITS OF THE PROPOSAL

Your attention is drawn to the section headed “*13. Reasons for and Benefits of the Proposal*” in Part VI — Explanatory Memorandum of this Scheme Document.

13. ACTIONS TO BE TAKEN

Your attention is drawn to “Part II — Actions to be Taken” of this Scheme Document.

14. COURT MEETING AND EGM

In accordance with the directions of the Grand Court, the Court Meeting will be held at 8th Floor, Tower T1, No. 118 Feihong Road, Hongkou District, Shanghai, the PRC on Tuesday, 4 March 2025 at 3:00 p.m. The EGM will be held at 8th Floor, Tower T1, No. 118 Feihong Road, Hongkou District, Shanghai, the PRC on Tuesday, 4 March 2025 at 3:30 p.m. (or as soon as practicable after the conclusion or adjournment of the Court Meeting).

For the purpose of exercising your right to vote at the Court Meeting and/or the EGM, you are requested to read carefully the section headed “*15. Court Meeting and EGM*” in Part VI — Explanatory Memorandum of this Scheme Document, Part II — Actions to be Taken of this Scheme Document, the notice of Court Meeting in APPENDIX IX of this Scheme Document and the notice of EGM in APPENDIX X of this Scheme Document.

Only Scheme Shareholders as at the Meeting Record Date may attend and vote at the Court Meeting to approve the Scheme. The Controlling Shareholders, the Directors who hold Shares in the Company, the FIL Directors who hold Shares in the Company, and the Share Award Trustee, as Company Concert Parties, have provided an undertaking to the Grand Court not to attend and vote at the Court Meeting. These Company Concert Parties have also undertaken to the Grand Court to be bound by the Scheme, so as to ensure that they will comply with and be subject to the terms and conditions of the Scheme.

All Shareholders as at the Meeting Record Date will be entitled to attend the EGM and to vote on the special resolution to approve and give effect to the reduction of the issued share capital of the Company on the Effective Date by cancelling the Scheme Shares.

As the Share Award Trustee is presumed to be acting in concert with the Company in relation to the Company in accordance with class (3) of the definition of “acting in concert” under the Takeovers Code, and pursuant to Rule 17.05A of the Listing Rules and the rules of the 2019 Share Award Plan and the 2024 Share Award Plan, the Share Award Trustee shall not exercise the voting rights attached to the Shares held by it. Accordingly, the 15,000 Shares held by the Share Award Trustee as at the Latest Practicable Date are not Disinterested Shares and will not be voted on the Scheme at the Court Meeting nor at the EGM.

15. WITHDRAWAL OF LISTING OF SHARES ON THE STOCK EXCHANGE

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company has made an application to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange in accordance with Rule 6.15 of the Listing Rules, with effect immediately from 4:00 p.m. on Wednesday, 19 March 2025 subject to the Scheme becoming effective.

The Shareholders will be notified by way of an announcement of the exact dates of the last day for dealing in the Shares on the Stock Exchange and the day on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective.

16. PROPOSED ADOPTION OF THE AMENDED AND RESTATED ARTICLES OF ASSOCIATION

It is proposed that, subject to the withdrawal of listing of the Shares on the Stock Exchange, the Amended and Restated Articles of Association (as set out in APPENDIX VIII of this Scheme Document) will be adopted to reflect the Company's status as a non-listed limited company. A special resolution to adopt the Amended and Restated Articles of Association will be put to the Shareholders at the EGM.

17. IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

If the Scheme is not approved or the Proposal otherwise lapses, an announcement will be made by the Company, and:

- (a) no Scheme Shares will be cancelled or extinguished, the shareholding structure of the Company will not change as a result of the Proposal, and the Company will continue to have sufficient public float as required by the Listing Rules;
- (b) the listing of the Shares on the Stock Exchange will not be withdrawn;
- (c) as the Share Incentive Proposal is conditional upon the Scheme becoming effective, the Share Incentive Proposal will lapse; and
- (d) there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Company nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses: (i) announce an offer or possible offer for the Company, or (ii) acquire any voting rights of the Company if the persons acting in concert with it would thereby become obliged under Rule 26 of the Takeovers Code to make an offer, in each case except with the consent of the Executive.

18. REGISTRATION AND PAYMENT

Your attention is drawn to the section headed “*19. Registration and Payment*” in Part VI — Explanatory Memorandum of this Scheme Document.

19. OVERSEAS SCHEME SHAREHOLDERS AND OVERSEAS SHARE INCENTIVE HOLDERS

Your attention is drawn to the section headed “*20. Overseas Scheme Shareholders and Overseas Share Incentive Holders*” in Part VI — Explanatory Memorandum of this Scheme Document.

20. TAXATION ADVICE

Your attention is drawn to the section headed “*21. Taxation Advice*” in Part VI — Explanatory Memorandum of this Scheme Document.

21. GENERAL

The Directors believe that the terms of the Proposal, the Scheme and the Share Incentive Proposal are fair and reasonable so far as the Disinterested Shareholders and the Share Incentive Holders are respectively concerned.

22. RECOMMENDATIONS

Your attention is drawn to the recommendations of the Independent Financial Adviser in respect of the Proposal, the Scheme and the Share Incentive Proposal as set out in Part V of this Scheme Document. We would advise you to read this letter carefully before you take any action in respect of the Proposal, the Scheme or the Share Incentive Proposal.

23. FURTHER INFORMATION

You are urged to read carefully:

- (a) the letter from the Independent Financial Adviser set out in Part V of this Scheme Document;
- (b) the Explanatory Memorandum set out in Part VI of this Scheme Document;
- (c) the appendices of this Scheme Document, including the terms of the Scheme set out in APPENDIX VII of this Scheme Document;
- (d) the notice of Court Meeting set out in APPENDIX IX of this Scheme Document; and
- (e) the notice of EGM set out in APPENDIX X of this Scheme Document.

In addition, a **PINK** form of proxy in respect of the Court Meeting and a **WHITE** form of proxy in respect of the EGM are enclosed with this Scheme Document.

If you are a Share Incentive Holder, you are also urged to read carefully the Letter to the Share Incentive Holders, substantially in the form set out in APPENDIX XI to this Scheme Document, and the enclosed Form of Acceptance.

On behalf of the Board
Fosun Tourism Group
Xu Xiaoliang
Chairman

Set out below is the text of a letter received from Altus Capital Limited, the independent financial adviser to the Disinterested Shareholders and the Share Incentive Holders in respect of the Proposal, the Scheme, the Share Incentive Proposal and the Controlling Shareholders Rollover Arrangement for the purpose of inclusion in the Scheme Document.

ALTUS.

Altus Capital Limited
21 Wing Wo Street
Central
Hong Kong

10 February 2025

To the Disinterested Shareholders and the Share Incentive Holders

Fosun Tourism Group
Rooms 808 & 2101-06
ICBC Tower
3 Garden Road
Central
Hong Kong

Dear Sir or Madam,

**(1) PROPOSED SHARE BUY-BACK OF
FOSUN TOURISM GROUP
BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 86 OF THE COMPANIES ACT
AND
(2) PROPOSED WITHDRAWAL OF LISTING OF
FOSUN TOURISM GROUP**

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Disinterested Shareholders and the Share Incentive Holders in respect of the Proposal, the Scheme, the Share Incentive Proposal and the Controlling Shareholders Rollover Arrangement. Details of the Proposal, the Scheme, the Share Incentive Proposal and the Controlling Shareholders Rollover Arrangement are set out in “Part VI — Explanatory Memorandum” contained in the Scheme Document dated 10 February 2025, of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Scheme Document unless the context requires otherwise.

The Proposal

On 9 December 2024, the Board resolved to put forward the Proposal to the Scheme Shareholders for the proposed share buy-back of the Company by way of a scheme of arrangement under Section 86 of the Companies Act. Subject to the Scheme becoming effective, all of the Scheme Shares will be cancelled in exchange for HK\$7.80 in cash for each Scheme Share.

The Share Incentive Proposal

As at the Latest Practicable Date, there were 56,879,819 outstanding Share Incentives, comprising (a) 48,177,874 Share Options; and (b) 8,701,945 Share Units. The Company will make an appropriate offer to the Share Incentive Holders in accordance with Rule 13 of the Takeovers Code. The Share Incentive Proposal will be conditional on the Scheme becoming effective.

Special Deal Relating to the Controlling Shareholders Rollover Arrangement

Pursuant to the Proposal, the Company proposes that the Controlling Shareholders will retain their shareholding, i.e. the Controlling Shareholders remain as Shareholders after the Scheme becomes effective so that, subject to the exercise or vesting of Share Incentives which are not cancelled pursuant to the Share Incentive Proposal, the Company will become wholly-owned by the Controlling Shareholders. Accordingly, the Shares held by the Controlling Shareholders will not form part of the Scheme Shares.

As the Controlling Shareholders Rollover Arrangement is not offered to all Shareholders, it constitutes a special deal and requires the consent of the Executive under Rule 25 of the Takeovers Code. The Company has made an application to the Executive on 30 December 2024 to obtain the Executive's consent to the Controlling Shareholders Rollover Arrangement, subject to (a) the Independent Financial Adviser confirming that the terms of the Controlling Shareholders Rollover Arrangement are fair and reasonable; and (b) the passing of an ordinary resolution by the Disinterested Shareholders at the EGM to approve the terms of the Controlling Shareholders Rollover Arrangement. The Proposal is subject to the grant of consent from the Executive in respect of the Controlling Shareholders Rollover Arrangement.

THE INDEPENDENT FINANCIAL ADVISER

As the Proposal and the Share Incentive Proposal are initiated by the Board, it is not possible for the Company to form an independent board committee to advise and make recommendations to the Disinterested Shareholders and the Share Incentive Holders.

As the independent financial adviser with respect to the Proposal, the Scheme, the Share Incentive Proposal and the Controlling Shareholders Rollover Arrangement, our role is to advise the Disinterested Shareholders and the Share Incentive Holders as to (i) whether the terms of the Proposal, the Scheme, the Share Incentive Proposal and the Controlling Shareholders Rollover Arrangement are, or are not, fair and reasonable; and (ii) whether

(a) the Disinterested Shareholders to vote in favour of the Scheme at the Court Meeting and the resolutions in connection with the implementation of the Proposal and the Scheme at the EGM; and (b) the Share Incentive Holders to accept the Share Incentive Proposal.

Ms. Tsang King Suen Katherine, one of the independent non-executive directors of Fosun International Limited (one of the Company's controlling shareholders), is an executive director of HK Acquisition Corporation ("**HK Acquisition**") (stock code: 7841 (delisted)). We had acted as the independent financial adviser to the independent board committee and independent shareholders of HK Acquisition relating to its De-SPAC transaction, which details were set out in HK Acquisition's circular dated 3 October 2024. Save for the aforesaid which does not in any way affect our independence as specified under Rule 2.6 or other parts of the Takeovers Code, we (i) are not associated or connected, financial or otherwise, with the Company, its controlling shareholders or any parties acting, or presumed to be acting, in concert with any of them; and (ii) have not acted as the financial adviser or independent financial adviser in relation to any transaction of the Company, its controlling shareholders or any parties acting in concert with any of them in the last two years prior to the date of the Scheme Document.

Pursuant to Rule 13.84 of the Listing Rules and Rule 2 of the Takeovers Code, and given that (i) remuneration for our engagement to opine on the Proposal, the Scheme, the Share Incentive Proposal and the Controlling Shareholders Rollover Arrangement is at market level and not conditional upon the outcome of the Proposal, the Scheme, the Share Incentive Proposal and the Controlling Shareholders Rollover Arrangement; (ii) no arrangement exists whereby we shall receive any fees or benefits from the Company (other than our said remuneration), its controlling shareholders or any parties acting in concert with any of them; and (iii) our engagement is on normal commercial terms, we are independent of the Company, its controlling shareholders or any parties acting in concert with any of them and can act as the independent financial adviser to the Disinterested Shareholders and the Share Incentive Holders in respect of the Proposal, the Scheme, the Share Incentive Proposal and the Controlling Shareholders Rollover Arrangement.

BASIS OF OUR ADVICE

In formulating our opinion, we have reviewed, amongst others (i) the Announcement; (ii) the interim report of the Company for the six months ended 30 June 2024 (the "**2024 Interim Report**"); (iii) the annual report of the Company for the year ended 31 December 2023 (the "**2023 Annual Report**"); and (iv) other information as set out in the Scheme Document.

We have relied on the statements, information, opinions and representations contained or referred to in the Scheme Document and/or provided to us by the Company, the Directors and the management of the Company (collectively the "**Management**"). We have assumed that all statements, information, opinions and representations contained or referred to in the Scheme Document and/or provided to us were true, accurate and complete in all material aspects at the time they were made and continued to be so as at the Latest Practicable Date. The Company will notify the Scheme Shareholders and the Share Incentive Holders of any material changes to information contained or referred to in the

Scheme Document as soon as practicable in accordance with Rule 9.1 of the Takeovers Code. The Scheme Shareholders and the Share Incentive Holders will also be informed as soon as practicable when there are any material changes to the information contained or referred to herein as well as changes to our opinion, if any, after the Latest Practicable Date, and up to the date of the EGM.

We have no reason to believe that any statements, information, opinions or representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material fact the omission of which would render the statements, information, opinions or representations provided to us untrue, inaccurate or misleading. We have assumed that all the statements, information, opinions and representations for matters relating to the Company contained or referred to in the Scheme Document, and information relating to the Company provided to us by the Company and the Management have been reasonably made after due and careful enquiry. We have relied on such statements, information, opinions and representations and consider that we have been provided with and have reviewed sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not conducted any independent investigation into the business, financial conditions and affairs or the future prospects of the Group.

We have not considered the taxation implications on the Scheme Shareholders and the Share Incentive Holders arising from acceptance or non-acceptance of the Proposal and the Scheme and the Share Incentive Proposal, if any, and therefore we will not accept responsibility for any tax effect or liability that may potentially be incurred by the Scheme Shareholders and the Share Incentive Holders as a result of the Proposal and the Scheme and the Share Incentive Proposal. In particular, the Scheme Shareholders and the Share Incentive Holders who are subject to Hong Kong or overseas taxation on dealings in securities are urged to seek their own professional advice on tax matters.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our advice for the Proposal, the Scheme, the Share Incentive Proposal and the Controlling Shareholders Rollover Arrangement, we have taken into consideration, among other things, the following:

1. Business and financial information of the Group

1.1. Background of the Group

The Company has been listed on the Main Board of the Stock Exchange since 14 December 2018. The Group is one of the worldwide leading leisure-focused integrated tourism groups with four business segments, namely (i) “Club Med and Others”; (ii)

“Atlantis Sanya”; (iii) “Vacation Asset Management Center”; and (iv) “Foryou Club and Other Services”. Throughout its mission of “Better Holiday, Better Life”, the Group endeavours to pioneer a holiday lifestyle and create a world-leading family leisure and tourism ecosystem.

- (i) Club Med and Others operates high-end, experience-oriented all-inclusive vacations for families and couples. 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 Europe, Middle East and Africa (“EMEA”), 12 resorts are in the Americas and 21 resorts are in the Asia Pacific region (including 10 resorts in China). Of these, 10 resorts are under ownership model, 41 resorts are under lease model, and 16 resorts are under management contract model.
- (ii) Atlantis Sanya is located on the Haitang Bay National Coast of Sanya in Hainan Province, China. It 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 Meeting, Incentives, Conferencing & Exhibitions (“MICE”), shopping center and other recreational activities such as the C Show Theatre. The Group commenced the construction of Atlantis Sanya in 2014 and it officially opened in April 2018.
- (iii) As part of its efforts to optimise its intellectual property operations and facilitate the implementation of more asset-light projects, the Group incorporated Taicang Alps Resort and Lijiang Club Med Resort to its Vacation Asset Management Center business segment in 2023. These projects also have development and sales of residential properties.
- (iv) Foryou Club, rebranded from Thomas Cook China, is a global membership platform for high-quality holiday services. Thomas Cook UK, which was disposed of in September 2024, was engaged in the development of online travel agency business.

1.2. Historical financial performance of the Group

Set out below is a table summarising certain key financial information of the Group for its financial years ended 31 December (“FY”) 2022 and 2023 (“FY2022” and “FY2023”) and the six months ended 30 June 2023 and 2024 respectively (“1H2023” and “1H2024”), as extracted from the 2023 Annual Report and the 2024 Interim Report.

Selected items of Consolidated Statement of Profit or Loss

Consolidated statement of profit or loss

<i>RMB'000</i>	1H2024 <i>(unaudited)</i>	1H2023 <i>(unaudited)</i>	FY2023 <i>(audited)</i>	FY2022 <i>(audited)</i>
Revenue	9,414,566	8,898,817	17,151,841	13,777,710
— <i>Club Med and Others</i>	8,193,194	7,506,818	14,176,378	11,606,385
— <i>Atlantis Sanya</i>	867,740	937,461	1,768,983	917,391
— <i>Vacation Asset Management Center</i>	294,242	389,914	1,062,806	1,122,437
— <i>Foryou Club and Other Services</i>	134,432	104,542	220,074	201,042
— <i>Intersegment eliminations</i>	(75,042)	(39,918)	(76,400)	(69,545)
Cost of revenue	(6,208,065)	(5,822,195)	(11,556,647)	(9,787,360)
Gross profit	3,206,501	3,076,622	5,595,194	3,990,350
<i>Gross profit margin</i>	34.1%	34.6%	32.6%	29.0%
Other income and gains, net	121,443	384,472	324,347	103,659
Selling and marketing expenses	(1,316,740)	(1,201,982)	(2,348,205)	(2,005,914)
General and administrative expenses	(974,724)	(906,697)	(1,764,533)	(1,494,592)
Operating profit	1,036,480	1,352,415	1,806,803	593,503
— <i>Club Med and Others</i>	1,145,355	1,177,309	1,547,958	661,173
— <i>Atlantis Sanya</i>	177,418	346,769	510,388	63,857
— <i>Vacation Asset Management Center</i>	(106,456)	74,898	155,494	278,440
— <i>Foryou Club and Other Services</i>	2,054	(34,893)	(98,622)	(232,922)
— <i>Intersegment eliminations</i>	(181,891)	(211,668)	(308,415)	(177,045)
Finance costs	(646,433)	(660,282)	(1,305,483)	(995,591)
Share of profits and losses of associates	(2,231)	(13,583)	(12,145)	(1,062)
Profit/(loss) before tax	387,816	678,550	489,175	(403,150)
Income tax expense	(70,662)	(188,218)	(143,165)	(128,641)
Profit/(loss) for the year/period	317,154	490,332	346,010	(531,791)
Profit/(loss) attributable to equity holders of the Company	321,838	471,840	307,199	(544,900)

FY2023 vs FY2022

The Group recorded substantial revenue increase of 24.5% in FY2023 compared to FY2022 as its operations continued to recover post-COVID 19 pandemic as travel demand increased both domestically and globally. Operational efficiency also improved during FY2023.

Revenue for Club Med and Others increased by 22.1% benefitting from improvements in capacity, occupancy and average daily bed rate (“ADBR”). The resumption of domestic tourism in China boosted revenue for Atlantis Sanya which posted revenue growth of 92.8% in FY2023. Overall revenue of Vacation Asset Management Center experienced a decline despite higher revenue from resort operations due to lower property sales and construction services following a downturn in the real estate market.

Gross profit margin increased from 29.0% in FY2022 to 32.6% in FY2023, benefitting from business recovery and improved operational efficiency. Gross profit margin had improved across all the Group’s business segments and coupled with higher revenue, gross profit increased by 40.2% in FY2023 compared with FY2022.

On the back of gain from village disposal as well as sale and leaseback of Club Med resorts, gain from disposal of Casa Cook and Cook’s Club hotel business as well as net exchange gain, the Group recorded over 200% increase in net other income and gains of RMB220.7 million.

Selling and marketing expenses had increased in FY2023 as the Group paid higher amount of commission on sales. Similarly, general and administrative expenses were higher as the Group paid a higher amount of management fee to brand licensor, incurred higher IT service and resort development expenses as well as sundry outsourcing expenses.

Increases of the above expenses of 17.1% and 18.1% year-on-year were however lower than the 24.5% revenue increase in FY2023. Coupled with improvements in gross profit margin, higher net other income and gains, operating profit in FY2023 increased substantially by over 200% compared with FY2022. Operating profit in FY2023 was in particular underpinned by improvements for Club Med and Others and Atlantis Sanya. These were offset by a decrease in operating profit for Vacation Asset Management Center which was affected by lower property sales and delivery.

Due to comparatively low operating profit in FY2022 of RMB593.5 million, the Group recorded loss before tax of RMB403.2 million after considering finance costs of RMB995.6 million (which consisted mainly of interest on bank and other borrowings and interest on lease liabilities). For FY2023, despite finance costs having increased substantially by over 30% due partly to high-interest rate environment, the Group recorded profit before tax and profit attributable to equity holders of RMB489.2 million and RMB346.0 million.

1H2024 vs 1H2023

Revenue increased by 5.8% in 1H2024 compared to 1H2023 underpinned by 9.1% revenue growth of Club Med and Others benefitting by increases in capacity, occupancy rate as well as ADBR. This was offset by lower revenue for Atlantis Sanya which experienced a 15.1% decrease in ADBR as the Group optimised its pricing strategy to address market competition, in which other hotels and resorts in Sanya, Hainan Province had reduced their prices in light of the overall weaker market while tourists and customers had been more price-sensitive. Revenue from Vacation Asset Management Center also decreased due to slow property sales and domestic consumer demand.

Gross profit increased by 4.2% in 1H2024 in line with higher revenue. Gross profit margin had however nominally decreased affected mainly by lower margins of Atlantis Sanya and Vacation Asset Management Center for the reasons explained above.

During 1H2024, the Group recorded net other income and gains of RMB121.4 million due mainly to reversal of provision for litigation of a Club Med village. In comparison, in 1H2023, the Group recorded net other income and gains of RMB384.5 million mainly from gain of disposals of Club Med resorts and Casa Cook and Cook's Club hotel business.

In line with revenue increase, selling and marketing expenses which were related to sales commission for resorts and tourism operation and advertising and promotion costs, increased by 9.5% in 1H2024 compared with 1H2023. General and administrative expenses increased by 7.5% in 1H2024 compared with 1H2023 due to higher employee costs of Club Med which were partially offset by lower sundry outsourcing such as consulting and professional expenses.

Operating profit had declined by 23.4% in 1H2024 compared with 1H2023 due mainly to (i) 48.8% decline in operating profit of Atlantis Sanya over the periods in the absence of one-off government subsidies of RMB78.4 million; and (ii) operating losses incurred by Vacation Asset Management Center in 1H2024 instead of operating profit in 1H2023. Club Med and Others also recorded lower operating profit for 1H2024 but excluding one-off gain on disposal of resorts in 1H2023, operating profit for Club Med and Others would have been higher in 1H2024 compared with 1H2023. Meanwhile, improved operational efficiency resulted in operating profit being recorded for Foryou Club and Other Services in 1H2024 instead of a loss in the previous period.

With finance costs maintaining relatively stable in 1H2024 compared to 1H2023, the Group's profit before tax recorded a substantial decline of 42.8% in line with lower revenue and lower operating profit. As income tax expenses decreased to a larger extent, profit attributable to equity holders decreased more moderately by 31.8% in 1H2024 compared to 1H2023.

Overall, we observed that the Group's revenue had increased between FY2022 and 1H2024 underpinned by recovery of the global tourism industry post-COVID 19 pandemic. There has however been signs of revenue growth normalisation for Club Med and Others, while revenue of Atlantis Sanya had declined in the face of market competition. Meanwhile Vacation Asset Management Center's revenue has been adversely affected by lower property sales amidst a downturn of China's real estate market. Coupled with the absence of one-off gains such as those recorded in FY2023, profitability of the Group had reduced in 1H2024.

Selected items of Consolidated Statement of Financial Position

Consolidated statement of financial position

	30 June 2024	As at 31 December 2023	31 December 2022
<i>RMB'000</i>	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>
<u>Non-current assets</u>			
Property, plant and equipment	10,303,244	10,674,269	9,786,743
Right-of-use assets	11,803,309	12,535,362	12,508,667
Intangible assets and goodwill	4,266,881	4,380,670	4,222,283
Others	2,352,679	2,470,205	1,954,715
Total non-current assets	28,726,113	30,060,506	28,472,408
<u>Current assets</u>			
Cash and bank balances	3,540,925	2,979,236	2,909,166
Completed properties for sale and properties under development	1,639,422	1,738,631	2,498,987
Prepayments, other receivables and other assets	1,770,021	1,895,642	1,825,974
Trade receivables	511,833	704,961	899,069
Others	1,258,792	1,243,871	1,324,410
Total current assets	8,720,993	8,562,341	9,457,606
<u>Current liabilities</u>			
Accrued liabilities and other payables	(5,751,317)	(7,078,188)	(6,553,675)
Interest-bearing bank and other borrowings	(3,379,379)	(3,558,428)	(2,474,450)
Trade payables	(1,993,625)	(2,140,863)	(2,643,415)
Lease liabilities	(994,426)	(944,415)	(866,218)
Contract liabilities	(829,136)	(962,475)	(808,606)
Others	(1,151,451)	(1,429,044)	(1,274,485)
Total current liabilities	(14,099,334)	(16,113,413)	(14,620,849)
Net current liabilities	(5,378,341)	(7,551,072)	(5,163,243)

	30 June 2024	As at 31 December 2023	31 December 2022
<i>RMB'000</i>	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>
<u>Non-current liabilities</u>			
Lease liabilities	(10,317,960)	(11,025,483)	(10,411,331)
Interest-bearing bank and other borrowings	(9,483,374)	(8,126,896)	(9,487,485)
Others	(901,909)	(976,755)	(779,252)
Total non-current liabilities	(20,703,243)	(20,129,134)	(20,678,068)
Net Assets	2,644,529	2,380,300	2,631,097

The Group's non-current assets had maintained generally stable as at 31 December 2022, 31 December 2023 and 30 June 2024. Property, plant and equipment and rights-of-use assets comprised the Group's self-owned or leased resorts or hotels owned were stable at between RMB22 billion and RMB24 billion level as at 31 December 2022, 31 December 2023 and 30 June 2024. On those dates, there was also minimal variations on values of intangible assets which mainly relate to trademark of Club Med and goodwill which was acquired through business combinations when the Group made previous acquisitions.

The Group's current assets had decreased from RMB9,457.6 million as at 31 December 2022 to RMB8,721.0 million as at 30 June 2024 due mainly to lower completed properties for sale and properties under development as well as lower trade receivables. Its cash and bank balances had however increased from RMB2.9 billion level to RMB3.5 billion level as at 30 June 2024 as overall, the Group had generated operating cash flow and had secured net bank borrowings.

Current liabilities increased from RMB14,620.8 million as at 31 December 2022 to RMB16,113.4 million as at 31 December 2023 as short term portion of interest-bearing bank and other borrowings as well as accrued liabilities and other payables increased. Current liabilities reduced to RMB14,099.3 million as at 30 June 2024 as trade payables, accrued liabilities and other payables reduced.

Relative to the Group's liquid assets such as cash and bank balances and trade receivables, it had comparatively high levels of interest-bearing bank and other borrowings as well as accrued liabilities and other payables. Consequently, the Group had net current liabilities positions as at 31 December 2022, 31 December 2023 and 30 June 2024.

Non-current liabilities of the Group had maintained at stable level between RMB20 billion and RMB21 billion as at 31 December 2022, 31 December 2023 and 30 June 2024. Based on the combination of assets and liabilities positions above, net assets of the Group were largely stable at between RMB2.3 billion and RMB2.7 billion level as at 31 December 2022, 31 December 2023 and 30 June 2024.

Overall, the Group had maintained stable financial position and had not experienced significant fluctuations in its assets and liabilities. We however noted that it had consistently had net current liabilities position which implies that the Group's ability to manage its short-term liquidity would be imperative to its financial health.

In this respect, we believe this will principally depend on the Group's ability to continuously generate operating cash flow, refinance its bank and other borrowings upon their maturity, and maintain adequate cash and bank balances and undrawn banking facilities to sustain its liquidity needs.

Calculation of the Adjusted NAV

Reference is made to (i) the valuation of property interests of the Group as at 30 November 2024 conducted by Property Valuers appointed by the Group, details of which are set out in Appendix IV to the Scheme Document (the "Property Valuation Reports"); and (ii) the paragraph headed "4. Property interests and adjusted net asset value" set out in "Appendix I — Financial information of the Group" contained in the Scheme Document. For illustration purpose, set out below is the calculation of the Adjusted NAV of the Group taking into account the effect of revaluation surplus arising from the valuation of the Group's properties interests as set out in the Property Valuation Reports.

	<i>RMB'000</i>
The unaudited net asset value attributable to Shareholders as at 30 June 2024	2,578,851
<i>Adjustments:</i>	
— Revaluation surplus arising from the valuation of the property interests attributable to the Group as at 30 November 2024	13,123,875
— Estimated deferred tax on revaluation surplus attributable to the Group	(3,277,388)
Adjusted net asset value attributable to Shareholders	12,425,338
Adjusted NAV (RMB)	9.99
Adjusted NAV (HK\$)	10.74
Cancellation Price (HK\$)	7.80
Discount of the Cancellation Price to the Adjusted NAV	27.41%

1.3. Dividends

As noted in the 2023 Annual Report, the Company has adopted a dividend policy whereby the Company shall consider a number of factors when determining whether to declare any dividend and the amount of dividend to be declared, including but not limited to, the Group's operations, earnings, financial condition, cash requirements and availability, capital expenditure, future development requirements, business conditions and strategies, interests of shareholders, and any restrictions on payment of dividends.

We note that since the Company's listing on the Main Board of the Stock Exchange on 14 December 2018, save for a total dividend of HK\$0.09 per Share for the financial year ended 31 December 2019, the Company has not declared or paid any dividends to the Shareholders. As advised by the Management, such decisions to preserve its cash resources and not declare dividends were made having considered a number of factors, including (i) the challenges faced by the Group during the onset of COVID-19 pandemic; and (ii) its loss-making positions during the period from 2020 to 2022. Based on this and the recent financial conditions of the Group (i.e. its net current liabilities position) as illustrated above, there appears no assurance that the Company will pay dividend in the future.

1.4. Industry and outlook of the Group

The Group stated in its 2023 Annual Report that Club Med's global performance had reached an all-time high with all three of its major regional markets of EMEA, the Americas and Asia-Pacific having recovered to pre-pandemic levels in FY2023. As the tourism industry enters a new cycle, the Group expects global tourism market to continue its strong recovery momentum in FY2024 and forecast similar trend for its Atlantis Sanya operations in the PRC.

We have conducted independent research and have made references to two research reports issued by CBRE Research titled "2024 Global Hotels Outlook" dated March 2024 ("**March CBRE Reports**") and "2024 Global Hotels Midyear Outlook" dated October 2024 ("**October CBRE Reports**"). CBRE Research is part of CBRE Group, Inc which is listed on the New York Stock Exchange and according to its annual report, CBRE Group, Inc is the world's largest commercial real estate services and investments firm. It maintains an extensive research and data platform and count nearly 90% of Fortune 100 companies and many of the world's largest institutional real estate investors as its clients. We noted that CBRE Research regularly issues market reports on global and regional markets for comprehensive range of property types including office, residential, hotels, industrial and logistics as well as retail, and their findings and forecasts are quoted by news media.

We observed that the Group's expectations on the outlook of FY2024 were generally in line with findings and forecasts of the March CBRE Reports. CBRE Research expects Europe's domestic and short-haul leisure travel to be the primary drivers of hotel demand with tailwinds from a rise in international long-haul leisure travel from Asia. It however expects Revenue per available room ("**RevPAR**") growth

to decelerate to high single-digit rate, returning to more normalised levels. For Asia Pacific markets, it expects international tourism arrivals should reach 2019 levels by end of 2024 as airline capacity progressively recovers. With average daily rates (“ADRs”) expected to normalise, revenue growth would be driven by occupancy growth for well-managed assets if operators can demonstrate flexibility to capitalise on the upswing. For the Mexico market, beach resorts can expect to see above-average hotel occupancy and for Caribbean markets, growth over the course of 2024 and beyond will be backed by a continued influx of tourists from the US and limited new supply.

The subsequent October CBRE Reports updated that the Europe market was poised for continued expansion albeit at a more moderate pace than in recent years amidst softening US demand. CBRE Research expects luxury and resort locations to outperform other segments. Meanwhile, it stated that hotel markets in Asia Pacific recorded year-on-year RevPAR growth during the first half of 2024 except for the Maldives. The Mexico and Caribbean markets had generally performed in line with expectations, with Mexico being an outstanding market.

For our independent research on China’s tourism market, we have referred to reports issued by the China Tourism Academy, which is an institution established in 2008 directly affiliated with the China National Tourism Administration (中華人民共和國國家旅遊局) with a focus on studies of China’s tourism industry. The China Tourism Academy reported in November 2024 that it is optimistic with inbound tourism where it expects the number of inbound tourists to recover to above 90% of the level achieved pre-COVID 19 pandemic in 2019. This was driven by visa-free entry, payment facilitation policies for visiting China, and the increasingly abundant information about traveling to China available on social media. Looking ahead, the report suggests that the development environment for inbound tourism is both complex and positive. Factors include the increasing complexity of the global economy and geopolitics, the continuous improvement of shared living spaces for tourists and locals, China’s further opening-up efforts, and the integration and reconstruction of the tourism industry ecosystem.

In summary, our independent research shows that global tourism in Europe, Asia Pacific and the Americas is on generally track for further growth, and this will benefit the Group’s Club Med global operations. The exceptional recovery growth post COVID-19 pandemic is however normalising and improvements in key parameters such as RevPAR and ADRs may decelerate. Meanwhile Club Med’s China operations and Atlantis Sanya may benefit from robust domestic tourism but may have to maintain pricing flexibility in the face of competition, weak local consumption and generally cautious economic environment. The Group’s China operations may also be boosted by continued improvement of inbound tourist arrivals although airline capacity may pose a limit. Overall, we believe the stable trend with lingering risks of geopolitical uncertainties and economic slowdown may continue for the global tourism industry in the near future.

2. Company's intention with regard to the Group

As disclosed in the paragraph headed "9. Intention of the Company with regard to the Group" set out in "Part VI — Explanatory Memorandum" contained in the Scheme Document, as at the Latest Practicable Date, it is the intention of the Company for the Group to continue to carry on its existing business and the Company does not have any plan to make any material change to: (a) the business of the Group (including any redeployment of any fixed asset of the Group); or (b) the continued employment of the employees of the Group (other than in the ordinary course of business).

3. Rationale of the Proposal

We have considered the rationale of the Proposal from the perspectives of the Disinterested Shareholders as well as the Company as follow.

3.1. From the perspective of the Disinterested Shareholders

Opportunities to realise investment in the Company at premium to prevailing market price

The Cancellation Price is at substantial premium to recent market trading price of Shares as analysed in the section headed "4.1. Historical price performance of the Shares" below. Per our analysis on historical price trend, it is noted that the Share price has not reached the level of the Cancellation Price during the entire Review Period (as defined below), and that it represents a substantial premium of approximately 70.7% over the average closing prices of the Shares during the Review Period. Subsequent to the publication of the Announcement and up to the Latest Practicable Date, the closing prices of the Shares had remained at levels below the Cancellation Price.

As a matter of fact, despite industry-wide recovery and the Group having recorded positive financial performance in FY2023 and 1H2024, the Share price performance has remained sluggish. The recent hike in Share price occurs only after the publication of the Announcement and we believe that the current market trading prices of Shares are underpinned by the presence of the Proposal and the absence or lapse of the Proposal may cause price of the Shares to retreat to levels before the Announcement. Therefore, we concur with the Management that the Proposal offers Disinterested Shareholders a reasonable opportunity to sell their Shares at a premium to prevailing market price.

Opportunities to realise investment in the Company regardless of shareholding size

The Company pointed out that the trading liquidity of the Shares has been low, making it difficult for Scheme Shareholders to execute substantial on-market disposals without adversely affecting the price of the Shares.

Per our analysis on the trading liquidity of the Shares as discussed in the section headed “4.2. Trading liquidity of the Shares” below, we note that the trading activities in Shares were generally illiquid over the Review Period and the Disinterested Shareholders may experience difficulty in disposing of their Shares, and any sale of a significant number of Shares on the market may result in downward pressure on the market price of Shares.

In this respect, we concur that the Proposal represents an opportunity for the Disinterested Shareholders to realise their investments in the Company with the certainty of return. We noticed substantial increase in trading liquidity for a couple of days before and after the Announcement. We believe such relatively high volume was similarly triggered by presence of the Proposal and may not be sustainable in the absence of the Proposal.

Normalisation of recovery growth of global tourism industry may result in lack of impetus for Share price increase

As described in the section headed “1.4. Industry and outlook of the Group” above, the strong recovery of the global tourism industry post COVID-19 pandemic is normalising. This stable trend with lingering risks of geopolitical uncertainties and economic slowdown may continue in the near future. If this persists, the industry as a whole and the Group may lack significant positive news which create impetus for Share price to increase beyond the Cancellation Price.

3.2. From the perspective of the Company

Flexibility in formulating long term strategic decisions and avoid the costs associated with maintaining a listing platform

The Management believed that the depressed price level and low trading activities of the Shares has limited the Company’s ability to conduct equity financing to support its business operation and development. In fact, we note that the Company has not conducted any equity capital fund raising since its listing on 14 December 2018.

We concur that given one of the primary objectives of a listed platform is public equity fund raising; with such ability curtailed, the costs associated with maintaining the listing status of the Company may no longer be justifiable. Upon completion of the Proposal, the Company can expect to substantially reduce the administrative costs and management resources to be committed in maintaining its listing status and compliance with regulatory requirements.

In addition, we note that it is the Group’s strategic direction to transition to an asset-light operation and to continue to invest and focus in its core business. As a private company without having to manage short term public investor expectations, the Company will have more flexibility in implementing these long-term strategies in a more cost-efficient manner.

4. The Cancellation Price

The Cancellation Price of HK\$7.80 represents:

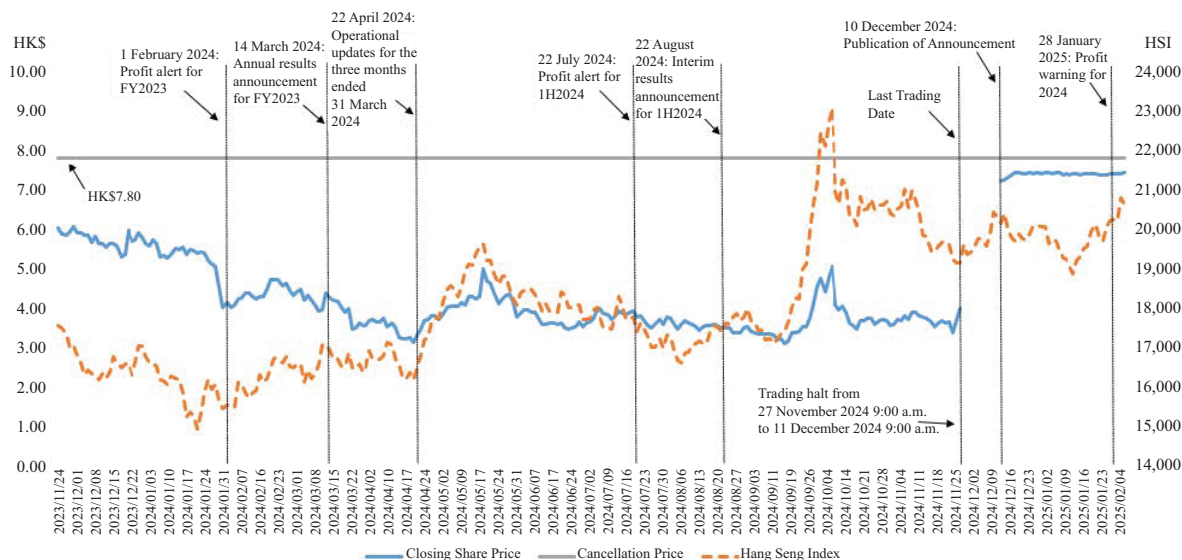
- (a) a premium of approximately 4.84% over the closing price of HK\$7.44 per Share as quoted on the Stock Exchange on 7 February 2025, being the Latest Practicable Date;
- (b) a premium of approximately 95.00% over the closing price of HK\$4.00 per Share as quoted on the Stock Exchange on 26 November 2024, being the Last Trading Date;
- (c) a premium of approximately 110.81% over the closing price of HK\$3.70 per Share as quoted on the Stock Exchange on 25 November 2024, being the trading day immediately prior to the Last Trading Date;
- (d) a premium of approximately 112.07% over the average closing price of c. HK\$3.68 per Share as quoted on the Stock Exchange for the five trading days up to and including the Last Trading Date;
- (e) a premium of approximately 111.19% over the average closing price of c. HK\$3.69 per Share as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Date;
- (f) a premium of approximately 110.30% over the average closing price of c. HK\$3.71 per Share as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Date;
- (g) a premium of approximately 112.47% over the average closing price of c. HK\$3.67 per Share as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Date;
- (h) a premium of approximately 107.01% over the average closing price of c. HK\$3.77 per Share as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Date;
- (i) a premium of approximately 247.63% to the unaudited consolidated equity attributable to Shareholders per Share of HK\$2.24 as at 30 June 2024 (based on an exchange rate of HK\$1.0 = RMB0.9237);
- (j) a premium of approximately 290.38% to the audited consolidated equity attributable to Shareholders per Share of HK\$2.00 as at 31 December 2023 (based on an exchange rate of HK\$1.0 = RMB0.9237); and
- (k) a discount of approximately 27.41% to the Adjusted NAV of HK\$10.74, calculated based on the unaudited adjusted net asset value attributable to the Group of RMB12,425,338,000 (based on an exchange rate of HK\$1.0 = RMB0.9294, as extracted from Bloomberg as at 30 June 2024).

The premiums of the Cancellation Price over the closing price on Last Trading Date and various closing price averages from (c) to (h) above appear substantial. While we consider analysis of privatisation precedents not directly relevant for the reasons explained in the section “5. Privatisation precedents” below, for illustrative purposes for example, we note that of the 14 successful privatisation transactions which scheme documents were issued in 2024, the premium of their cancellation prices over their last trading date prices had ranged from nil to 162.8% with an average of 52.6% and median of 32.0%. Only three transactions out of 14 had relevant premiums which were higher than the 95.0% recorded in (b) above.

We note that after taking into account the valuation of the Group’s property interests as at 30 November 2024, the Cancellation Price represents a discount of approximately 27.4% to the Adjusted NAV. We understand that these properties being revalued primarily represent the Group’s resorts and hotels for operational purposes. As stated in the Scheme Document, there is no intention for the Company to make any material change, among other things, to the business of the Group (including any redeployment of any fixed asset of the Group) as at the Latest Practicable Date. For this reason, the aforesaid valuation which reflects the value if the property interests were sold in the market on the date of valuation is not fully and directly applicable when considering the Cancellation Price and we are of the view that the aforesaid 27.4% discount to the Adjusted NAV is acceptable.

4.1. Historical price performance of the Shares

Set out below is a chart illustrating the historical closing prices of the Shares as quoted on the Stock Exchange during the period commencing from 24 November 2023 to the Last Trading Date (“**Pre-Announcement Period**”), and subsequently up to and including the Latest Practicable Date (“**Post-Announcement Period**”) (collectively, the “**Review Period**”). We consider a period of approximately one year is adequate and representative to illustrate the recent price movements of the Shares which reflect (i) market and investors’ reaction towards the latest developments of the Group, including its financial performance and position, outlook and prospects; and (ii) prevailing market sentiment. We are of the view that this allows us to conduct a meaningful comparison between these closing prices of the Shares and the Cancellation Price.



Source: The website of the Stock Exchange (www.hkex.com.hk)

During the Review Period, the highest and lowest closing prices of the Shares were HK\$7.44 per share recorded on 7 February 2025, and HK\$3.13 per Share recorded on 16 September 2024 respectively. The average daily closing price per Share over the Review Period was approximately HK\$4.57 per Share. The Cancellation Price, being HK\$7.80 per Scheme Share, represents a substantial premium of approximately 70.7% over such average of closing prices.

As illustrated in the graph above, the Cancellation Price is higher than the closing prices of the Shares during the entire Review Period. During the Pre-Announcement Period, the Cancellation Price represents substantial premiums ranging from approximately 28.9% to 149.2% over the closing prices of the Shares. From end November 2023 to mid-April 2024, the closing prices of the Shares were in general on a downward trend and reached a low of HK\$3.16 per Share on 19 April 2024, despite the Company having announced profit alert for FY2023 on 1 February 2024 and published its annual results announcement on 14 March 2024. Thereafter, the closing prices of the Shares rebounded and reached HK\$4.70 per Share on 21 May 2024. However, this did not sustain for long as the Share closing price then dropped to HK\$3.60 per Share on 13 June 2024. Between 14 June 2024 and 25 September 2024, the closing prices of the Shares had traded between HK\$3.13 per Share to HK\$4.01 per Share and recorded its lowest at HK\$3.13 per Share on 16 September 2024. During the aforementioned period, the Company announced profit alert for 1H2024 on 22 July 2024 and published its interim results announcement on 22 August 2024. The Share closing price then surged to HK\$5.05 per Share on 7 October 2024. We note that this upward price movement is in line with the overall market performance as evidenced by the Hang Seng Index, which increased significantly from 19,129 as at 25 September 2024 to 23,100 as at 7 October 2024. However, the Share closing price declined shortly to HK\$3.47 per Share on 17 October 2024 and remained as such until the Last Trading Date, which closed at HK\$4.00 per Share.

During the Post-Announcement Period, and when the trading of the Shares resumed at 9:00 a.m. on 11 December 2024 following the publication of the Announcement in relation to the Proposal, the Scheme and the Share Incentive Proposal, the Share closing price surged substantially to levels close to the Cancellation Price. As at the Latest Practicable Date, the Share price closed at HK\$7.44 per Share. We are of the view that the current Share prices are underpinned by the presence of the Proposal and the absence or lapse of the Proposal may cause price of the Shares to retreat to levels before the Announcement.

Overall, considering the Cancellation Price is higher than the closing prices of the Shares during the entire Review Period, and that it represents a substantial premium of approximately 70.7% over the average of closing prices of the Shares during the Review Period, we are of the view that the Cancellation Price is fair and reasonable from the point of view of the historical trading price of the Shares.

4.2. Trading liquidity of the Shares

Set out below is the average daily trading volume of the Shares on a monthly basis and the respective percentage of the average daily trading volume of the Shares as compared to the total number of issued Shares and Shares held by the Disinterested Shareholders during the Review Period.

Month	Number of trading days	Average daily trading volume (number of Shares)	Approximate % of average daily trading volume to total number of issued Shares as at the relevant month end	Approximate % of average daily trading volume to total number of issued Shares held by the Disinterested Shareholders
2023				
November (from 24 November)	5	498,850	0.040%	0.195%
December	19	710,202	0.057%	0.278%
2024				
January	22	799,398	0.064%	0.313%
February	19	665,221	0.054%	0.261%
March	20	1,756,061	0.141%	0.688%
April	20	1,980,635	0.159%	0.776%
May	21	2,963,017	0.238%	1.161%
June	19	1,142,365	0.092%	0.448%

Month	Number of trading days	Average daily trading volume (number of Shares)	Approximate % of average daily trading volume to total number of issued Shares as at the relevant month end	Approximate % of average daily trading volume to total number of issued Shares held by the Disinterested Shareholders
July	22	1,143,086	0.092%	0.448%
August	22	815,003	0.066%	0.319%
September	19	1,468,511	0.118%	0.575%
October	21	2,098,383	0.169%	0.822%
November (up to the Last Trading Date) ^(note)	18	2,480,333	0.199%	0.972%
December (from 11 December) ^(note)	13	7,722,948	0.621%	3.026%
2025				
January	19	1,408,773	0.113%	0.552%
February (up to the Latest Practicable Date)	5	921,816	0.074%	0.361%

Source: The website of the Stock Exchange (www.hkex.com.hk)

Note: The Shares were suspended for trading from 9:00 a.m. on 27 November 2024 to 9:00 a.m. on 11 December 2024.

As illustrated in the above table, the percentage of average daily trading volume to (i) the total number of issued Shares; and (ii) the total number of Shares held by the Disinterested Shareholders, ranged from approximately 0.040% to approximately 0.621% and approximately 0.195% to approximately 3.026% respectively. The average daily trading volume of the Shares during the Pre-Announcement Period was approximately 1,475,984 Shares, representing approximately 0.119% of the total number of issued Shares and approximately 0.579% of the total number of Shares held by the Disinterested Shareholders as at the Last Trading Date.

We note that the trading volume of Shares increased after the publication of the Announcement where during the Post-Announcement Period, the average daily trading volume of Shares amounted to approximately 3,561,462 Shares, representing approximately 0.286% of the total number of issued Shares and approximately 1.395% of the total number of Shares held by the Disinterested Shareholders as at the

Latest Practicable Date. It can be concluded that the presence of the Proposal has spurred trading activities in the Shares which otherwise had been generally illiquid during the Pre-Announcement Period.

In the absence of the Proposal, Disinterested Shareholders will only be able to dispose of their Shares on-market to realise their investment in the Company. Considering the thin trading volume of Shares during the Pre-Announcement Period, Disinterested Shareholders may experience difficulty in disposing of their Shares, and any sale of a significant number of the Shares on the market may result in downward pressure on the market price of Shares.

4.3. Comparable analysis

Comparable analysis involves determining the relative value of a company by comparing it to other companies in the similar industries and of similar scale.

To assess the fairness and reasonableness of the Cancellation Price, we have performed analysis on the price-to-earnings ratio (the “**P/E Ratio(s)**”), being a common parameter in assessing a company’s value, of companies which are listed on the Stock Exchange and are engaged in similar business of the Group for comparison purpose (the “**Comparable(s)**”). In addition, we have also made reference to the price-to-book ratio (the “**P/B Ratio(s)**”) of the Comparables, being another commonly used valuation yardstick for analysis.

We have set the following selection criteria for the purpose of identifying Comparables:

- (i) company whose shares are listed on the Main Board of the Stock Exchange and were not being suspended from trading as at the Latest Practicable Date;
- (ii) over 80% of its latest financial year revenue was derived from the operation of resorts and/or hotels with international presence; and
- (iii) of comparable operating scale to the Group with latest financial year revenue ranging from RMB5 billion to RMB35 billion (the Group’s revenue in FY2023 was approximately RMB17.2 billion).

Based on the above criteria, we have identified one Comparable only, being Shangri-La Asia Ltd., which we believe is exhaustive based on those selection criteria above.

Given the small sample size of Comparable identified which may have imposed limitations on the generality of our market comparable analysis, the information set out below is for the Disinterested Shareholders’ information only and we have not put emphasis on this analysis when arriving at our conclusion and recommendations regarding the Proposal and the Scheme.

Our relevant findings are summarised in the following table:

Stock code	Company name	Principal business	Market capitalisation ⁽¹⁾ (HK\$ million)	Net profit ⁽²⁾ (HK\$ million)	Net asset value ⁽³⁾ (HK\$ million)	P/E Ratio ⁽⁴⁾ (times)	P/B Ratio ⁽⁵⁾ (times)
69	Shangri-La Asia Ltd.	Shangri-La Asia Limited is principally engaged in hotel operation. Hotel ownership segment is engaged in hotel operation in Hong Kong, Mainland China, Singapore and Malaysia, among others. Property rentals segment is engaged in the leasing of office properties, commercial properties and serviced apartments. Hotel management segment is engaged in the provision of hotel management services. Property sales segment is engaged in the sales of properties. The company is also engaged in other businesses, such as wine trading and operation of golf courses. The hotels under the Company include Shangri-La and Hotel Jin, among others.	19,398	1,432	40,139	13.54	0.48
1992	The Company ⁽⁶⁾		9,709	332.6	2,792 13,452 ⁽⁷⁾	29.19	3.48 0.72 ⁽⁷⁾

Source: The website of the Stock Exchange (www.hkex.com.hk)

Notes:

- (1) Market capitalisation is calculated based on the share closing price times the total number of shares in issue as at the Latest Practicable Date. Where applicable, for illustrative purpose, (i) USD has been translated into RMB with exchange rate of USD1.0 = RMB7.185; and (ii) RMB has been translated into HK\$ with exchange rate of HK\$1.0 = RMB0.9237 (being the same exchange rate as set out in “Part I — Definitions” of the Scheme Document).
- (2) The net profit attributable to shareholders of the Comparable is extracted from its latest published annual results announcement/report prior to the Latest Practicable Date. Where applicable, for illustrative purpose, (i) USD has been translated into RMB with exchange rate of USD1.0 = RMB7.185; and (ii) RMB has been translated into HK\$ with exchange rate of HK\$1.0 = RMB0.9237 (being the same exchange rate as set out in “Part I — Definitions” of the Scheme Document).
- (3) The net asset value attributable to shareholders of the Comparable is extracted from its latest published annual/interim results announcement/report prior to the Latest Practicable Date. Where applicable, for illustrative purpose, (i) USD has been translated into RMB with exchange rate of USD1.0 = RMB7.185; and (ii) RMB has been translated into HK\$ with exchange rate of HK\$1.0 = RMB0.9237 (being the same exchange rate as set out in “Part I — Definitions” of the Scheme Document).
- (4) P/E Ratio of the Comparable is calculated based on its market capitalisation as described in note 1 above and divided by its net profit as described in note 2 above.
- (5) P/B Ratio of the Comparable is calculated based on its market capitalisation as described in note 1 above and divided by its net asset value as described in note 3 above.

- (6) The implied market capitalisation of the Company is calculated based on the Cancellation Price and 1,244,768,113 issued Shares. The implied P/E Ratio of the Company is calculated based on the implied market capitalisation and divided by the Group's net profit attributable to equity holders of the Company in FY2023. The implied P/B Ratio of the Company is calculated based on the implied market capitalisation, divided by the Group's net asset value attributable to equity holders as at 30 June 2024.
- (7) This net asset value of the Group represents its consolidated net asset value attributable to Shareholders as at 30 June 2024 and adjusted with reference to the valuation of the Group's property interests as at 30 November 2024, further details of which are set out in Appendix IV to the Scheme Document. This implied P/B Ratio of the Company is calculated based on the implied market capitalisation as described in note 6 above, divided by the abovementioned adjusted net asset value of the Group (the "**Adjusted Implied P/B Ratio**").

As shown in the above table, from a P/E Ratio perspective, the valuation of the Company based on the implied market capitalisation arrived at using the Cancellation Price and the Group's net profit translates into an implied P/E Ratio of approximately 29.19 times. This is significantly higher than the Comparable's P/E Ratio of approximately 13.54 times.

From a P/B Ratio perspective, the valuation of the Company based on the implied market capitalisation arrived at using the Cancellation Price and the Group's net asset value translates into an implied P/B Ratio of approximately 3.48 times. This is also significantly higher than the Comparable's P/B Ratio of approximately 0.48 times. We note that after taking into account the valuation of the Group's property interests as at 30 November 2024, the Adjusted Implied P/B Ratio of approximately 0.72 times remains higher than the Comparable's P/B Ratio.

5. Privatisation precedents

It is disclosed in the section headed "2. Terms of the Proposal" set out in "Part VI — Explanatory Memorandum" of the Scheme Document that the Cancellation Price has been determined, among others, with reference to other privatisation transactions in Hong Kong in recent years. From our perspective in this case, past privatisation transactions of companies listed on the Stock Exchange are less of a reference for assessing the fairness and reasonableness of the Cancellation Price considering these companies are from different industries, which therefore have different market fundamentals and prospects compared to those faced by the Group at this moment. In addition, the fact that past privatisation transactions were conducted at periods of different economic, industry and financial market cycles, and depending on the outlook at that point in time, will result in different considerations for their respective shareholders at that time. There are also variations in terms of scale of operations, financial performance and position as well as trading prospects and hence difference in risk premiums afforded by the market. Accordingly, we consider that the analysis in other sections in this letter to be more relevant for the Disinterested Shareholders to make an informed assessment on the fairness and reasonableness of the Cancellation Price.

6. The Share Incentive Proposal

As at the Latest Practicable Date, there were 56,879,819 outstanding Share Incentives, comprising:

- (a) 48,177,874 Share Options, including:
 - (i) 25,169,374 Pre-IPO Share Options, including
 - (A) 21,169,374 Vested Pre-IPO Share Options, each giving holders the right to subscribe for one new Share per Pre-IPO Share Option at an exercise price of HK\$8.43 per Pre-IPO Share Option or HK\$15.60 per Pre-IPO Share Option; and
 - (B) 4,000,000 Unvested Pre-IPO Share Options, each giving holders the contingent right upon vesting to subscribe for one new Share per Pre-IPO Share Option at an exercise price of HK\$8.43 per Pre-IPO Share Option;
 - (ii) 13,402,000 2019 Share Options, including
 - (A) 7,483,000 Vested 2019 Share Options, each giving holders the right to subscribe for one new Share per 2019 Share Option at the relevant exercise price, which ranges from HK\$8.37 to HK\$11.70 per 2019 Share Option; and
 - (B) 5,919,000 Unvested 2019 Share Options, each giving holders the contingent right upon vesting to subscribe for one new Share per 2019 Share Option at the exercise price, which ranges from HK\$8.37 to HK\$11.70 per 2019 Share Option; and
 - (iii) 9,606,500 2024 Share Options, all of which are unvested and each giving holders the contingent right upon vesting to subscribe for one new Share per 2024 Share Option at the exercise price of HK\$4.30 per 2024 Share Option; and
- (b) 8,701,945 Share Units, including
 - (i) 2,898,945 2019 Share Units, all of which are unvested and each giving holders the contingent right upon vesting to receive one new Share per 2019 Share Unit at no consideration; and
 - (ii) 5,803,000 2024 Share Units, all of which are unvested and each giving holders the contingent right upon vesting to receive one new Share per 2024 Share Unit at no consideration.

The Company will make an appropriate offer to the Share Incentive Holders in accordance with Rule 13 of the Takeovers Code. Details of the Share Incentive Proposal for cancellation of each Share Option and Share Unit are set out below.

	Exercise price(s)	Cancellation price
<u>Vested Option Proposal</u>		
(i) 21,169,374 Vested Pre-IPO Share Options	HK\$8.43 or HK\$15.60	HK\$0.0001
(ii) 7,483,000 Vested 2019 Share Options	HK\$8.37, HK\$9.37, HK\$10.69 or HK\$11.70	HK\$0.0001
<u>Unvested Share Incentive Proposal</u>		
(i) 4,000,000 Unvested Pre-IPO Share Options	HK\$8.43	HK\$0.0001
(ii) 5,919,000 Unvested 2019 Share Options	HK\$8.37, HK\$9.37, HK\$10.69 or HK\$11.70	HK\$0.0001
(iii) 9,606,500 Unvested 2024 Share Options	HK\$4.30	HK\$3.50 <i>(when such 2024 Share Option would have become vested in accordance with the existing schedule and conditions of grant under the 2024 Share Option Scheme)</i>
(iv) 2,898,945 Unvested 2019 Share Units	nil	HK\$7.80 <i>(in accordance with the existing schedule and conditions of grant under the 2019 Share Award Plan)</i>
(v) 5,803,000 Unvested 2024 Share Units	nil	HK\$7.80 <i>(in accordance with the existing schedule and conditions of grant under the 2024 Share Award Plan)</i>

We note that the cancellation price for each Share Option and Share Unit under the Share Incentive Proposal has been calculated in compliance with Rule 13 of the Takeovers Code, where each cancellation price represents the “see-through” price, being (i) the difference between the Cancellation Price and the exercise price for each Share Option; or (ii) the Cancellation Price in the case of Share Unit.

Based on the Cancellation Price of HK\$7.80 per Scheme Share, Share Options with exercise price of HK\$4.30 per Share were offered a see-through price of HK\$3.50 per Share Option, being the Cancellation Price minus the aforesaid exercise price; while the remaining

Share Options with exercise prices exceeding the Cancellation Price were offered a nominal amount of HK\$0.0001 for every Share Option. For Share Units, the Cancellation Price of HK\$7.80 per Share Unit were offered.

As the cancellation price for each Share Option and Share Unit was based on the Cancellation Price of HK\$7.80 per Scheme Share, which was offered to all the Disinterested Shareholders, we are of the view that the see-through basis is fair and reasonable. Further, as we consider that the Cancellation Price to be fair and reasonable as further elaborated in other sections in this letter, each see-through price (which is based on the Cancellation Price) is also considered fair and reasonable so far as the Share Incentive Holders are concerned.

7. Special Deal Relating to the Controlling Shareholders Rollover Arrangement

As at the Latest Practicable Date, the Controlling Shareholders hold 987,339,132 Shares, representing approximately 79.32% of the issued share capital of the Company.

Pursuant to the Proposal, the Company proposes that the Controlling Shareholders will retain their shareholding, i.e. the Controlling Shareholders remain as Shareholders after the Scheme becomes effective so that, subject to the exercise or vesting of Share Incentives which are not cancelled pursuant to the Share Incentive Proposal, the Company will become wholly-owned by the Controlling Shareholders. Accordingly, the Shares held by the Controlling Shareholders will not form part of the Scheme Shares.

As the Controlling Shareholders Rollover Arrangement is not offered to all Shareholders, it constitutes a special deal and requires the consent of the Executive under Rule 25 of the Takeovers Code. The Company has made an application to the Executive on 30 December 2024 to obtain the Executive's consent to the Controlling Shareholders Rollover Arrangement, subject to (a) the Independent Financial Adviser confirming that the terms of the Controlling Shareholders Rollover Arrangement are fair and reasonable; and (b) the passing of an ordinary resolution by the Disinterested Shareholders at the EGM to approve the terms of the Controlling Shareholders Rollover Arrangement.

The grant of consent from the Executive in respect of the Controlling Shareholders Rollover Arrangement is a condition to the Proposal, as detailed in the paragraph headed "3. Conditions of the Proposal and the Scheme" set out in "Part VI — Explanatory Memorandum" of the Scheme Document.

We note that the Controlling Shareholders have been instrumental in setting up and supporting the operations and businesses of the Group since the incorporation of the Company. We therefore consider that it is reasonable for the Controlling Shareholders to remain as the only shareholders of the Company after the Scheme becomes effective as this is the fundamental basis of the Proposal. As such, we are of the view that the special deal relating to the Controlling Shareholders Rollover Arrangement is fair and reasonable.

RECOMMENDATIONS

In summary, we have considered the below factors and reasons in arriving at our conclusion and recommendations regarding the Proposal and the Scheme.

- (a) Our analysis in the section headed “**1.2. Historical financial performance of the Group**” shows that the Group’s revenue had grown between FY2022 and 1H2024 underpinned by recovery of global tourism, but such growth is normalising. Profitability of the Group had in fact declined in 1H2024.
- (b) The Group’s financial position, while stable, had consistently recorded net current liabilities as set out in the section headed “**1.2. Historical financial performance of the Group**”. Its financial health therefore depends on its ability to manage its short-term liquidity.
- (c) As detailed in the section headed “**1.4. Industry and outlook of the Group**”, the strong recovery of the global tourism industry post COVID-19 pandemic is normalising. This stable trend with lingering risks of geopolitical uncertainties and economic slowdown may continue in the near future. If this persists, the industry as a whole and the Group may lack significant positive news which create impetus for Share price to increase beyond the Cancellation Price.
- (d) As detailed in the section headed “**3. Rationale of the Proposal**”, the Proposal enables the Disinterested Shareholders to receive immediate cash proceeds at a substantial premium to the prevailing market price amidst low trading liquidity of the Shares; while from the Company’s perspective, the usefulness of a listed platform has diminished and the Proposal enables the Company to have more flexibility in deploying and implementing its long-term strategies as a private company.
- (e) The Cancellation Price represents a consistent premium over the closing prices of the Shares during the Review Period and a premium to the net asset value of the Shares as detailed in the section headed “**4.1. Historical price performance of the Shares**”. Although it represents a discount when compared to the Adjusted NAV after taking into account the valuation of the Group’s property interests as at 30 November 2024, the aforesaid valuation which reflects the value if the property interests were sold in the market on the date of valuation is not fully and directly applicable when considering the Cancellation Price and we are of the view that such discount to the Adjusted NAV is acceptable, as detailed in the section headed “**4. The Cancellation Price**”.

- (f) The trading volume of the Shares had been generally thin during the Review Period as detailed in the section headed “**4.2. Trading Liquidity of the Shares**” and the Scheme provides an opportunity for the Disinterested Shareholders to realise their investment in the Company for cash at the fixed Cancellation Price regardless of the number of Shares they hold without exerting downward pressure on the market price of the Shares.
- (g) As detailed in the section headed “**6. The Share Incentive Proposal**”, as the Cancellation Price and the see-through basis are considered to be fair and reasonable, the Share Incentive Proposal is fair and reasonable so far as the Share Incentive Holders are concerned.
- (h) The special deal relating to the Controlling Shareholders Rollover Arrangement (as detailed in the section headed “**7. The Controlling Shareholders Rollover Arrangement**”) which entails the Controlling Shareholders remaining as the only shareholders of the Company after the Scheme becomes effective is the fundamental basis of the Proposal.

Recommendation for the Disinterested Shareholders

In light of the above, we (i) are of the opinion that the Proposal, the Scheme, the Share Incentive Proposal and the Controlling Shareholders Rollover Arrangement are fair and reasonable; and (ii) recommend the Disinterested Shareholders to vote in favour of the Scheme at the Court Meeting and the resolutions in connection with the implementation of the Proposal and the Scheme at the EGM.

Recommendation for the Share Incentive Holders

We are of the opinion that the Share Incentive Proposal is fair and reasonable so far as the Share Incentive Holders are concerned. Accordingly, we recommend the Share Incentive Holders to accept the Share Incentive Proposal.

As different Scheme Shareholders and Share Incentive Holders would have different investment criteria, objectives or risk appetite and profiles, we recommend any Disinterested Shareholders and Share Incentive Holders who may require advice in relation to any aspect of the Scheme Document, or as to the action(s) to be taken, to consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser.

Disinterested Shareholders and Share Incentive Holders are reminded that they should make their decisions to dispose of or retain their investments, having regard to their own circumstances and investment objectives and are reminded to closely monitor the market price and liquidity of the Company during the offer period, and they may consider selling their Shares or exercising their Share Incentive(s) and selling the underlying Shares in the open market, where possible, if the net proceeds (after deducting all transaction costs) exceed the net amount to be received under the Proposal and the Share Incentive Proposal.

Yours faithfully,
For and behalf of
Altus Capital Limited

Jeanny Leung
Responsible Officer

Chang Sean Pey
Responsible Officer

*Ms. Jeanny Leung (“**Ms. Leung**”) is a Responsible Officer of Altus Capital licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and permitted to undertake work as a sponsor. She is also a Responsible Officer of Altus Investments Limited licensed to carry on Type 1 (dealing in securities) regulated activity under the SFO. Ms. Leung has over 30 years of experience in corporate finance advisory and commercial field in Greater China, in particular, she has participated in sponsorship work for initial public offerings and acted as financial adviser or independent financial adviser in various corporate finance advisory transactions.*

*Mr. Chang Sean Pey (“**Mr. Chang**”) is a Responsible Officer of Altus Capital Limited licensed to carry on Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO and permitted to undertake work as a sponsor. He is also a Responsible Officer of Altus Investments Limited licensed to carry on Type 1 (dealing in securities) regulated activity under the SFO. Mr. Chang has over 25 years of experience in banking, corporate finance advisory and investment management. In particular, he has participated in sponsorship work for initial public offerings and acted as financial adviser or independent financial adviser in various corporate finance advisory transactions.*

This Explanatory Memorandum constitutes the statement required under Order 102, rule 20(4)(e) of the Rules of the Grand Court of the Cayman Islands 2023 (as revised).

SCHEME OF ARRANGEMENT (SECTION 86 OF THE COMPANIES ACT)

1. INTRODUCTION

On 9 December 2024, the Board resolved to put forward the Proposal to the Scheme Shareholders for the proposed share buy-back of the Company by way of a scheme of arrangement under section 86 of the Companies Act involving the cancellation of the Scheme Shares and, in consideration thereof, the payment to the Scheme Shareholders of the Cancellation Price in cash for each Scheme Share, and the withdrawal of the listing of the Shares from the Stock Exchange.

If the Proposal is approved and implemented, under the Scheme, the Scheme Shares will be cancelled and extinguished on the Effective Date and the issued share capital of the Company will be reduced. The credit created as a result of the cancellation of the Scheme Shares will be credited to a distributable reserve of the Company.

The purpose of this Explanatory Memorandum is to set out the terms and effects of the Proposal (in particular the Scheme) and the Share Incentive Proposal and to provide the Scheme Shareholders and the Share Incentive Holders with further information in relation to the Proposal and the Share Incentive Proposal.

Particular attention is drawn to (i) the letter from the Independent Financial Adviser set out in Part V of this Scheme Document; (ii) the Explanatory Memorandum set out in Part VI of this Scheme Document; (iii) the terms of the Scheme set out in APPENDIX VII of this Scheme Document; and (iv) the Letter to the Share Incentive Holders, substantially in the form set out in APPENDIX XI to this Scheme Document, and the enclosed Form of Acceptance.

2. TERMS OF THE PROPOSAL

The Scheme

Subject to the Scheme becoming effective, all of the Scheme Shares will be cancelled in exchange for HK\$7.80 in cash for each Scheme Share.

If, after the Latest Practicable Date, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Company reserves the right to reduce the Cancellation Price by all or any part of the amount or value of such dividend, distribution and/or, as the case may be, return of capital after consultation with the Executive, in which case any reference in the Announcement, this Scheme Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced. As at the Latest Practicable Date, the Company had no declared but unpaid dividends, and the Company has no intention to declare any dividend before the Effective Date.

The Shares in which the Controlling Shareholders are interested will not form part of the Scheme Shares and will not be cancelled. Upon the Scheme becoming effective, the Company will be owned as to approximately 98.44% and 1.56% by Fosun International and FHL, respectively, and the listing of the Shares will be withdrawn from the Stock Exchange.

The Cancellation Price of HK\$7.80 represents:

- (a) a premium of approximately 4.84% over the closing price of HK\$7.44 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a premium of approximately 95.00% over the closing price of HK\$4.00 per Share as quoted on the Stock Exchange on 26 November 2024, being the Last Trading Date;
- (c) a premium of approximately 110.81% over the closing price of HK\$3.70 per Share as quoted on the Stock Exchange on 25 November 2024, being the trading day immediately prior to the Last Trading Date;
- (d) a premium of approximately 112.07% over the average closing price of c. HK\$3.68 per Share as quoted on the Stock Exchange for the five trading days up to and including the Last Trading Date;
- (e) a premium of approximately 111.19% over the average closing price of c. HK\$3.69 per Share as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Date;
- (f) a premium of approximately 110.30% over the average closing price of c. HK\$3.71 per Share as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Date;
- (g) a premium of approximately 112.47% over the average closing price of c. HK\$3.67 per Share as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Date;
- (h) a premium of approximately 107.01% over the average closing price of c. HK\$3.77 per Share as quoted on the Stock Exchange for the 180 trading days up to and including the Last Full Trading Date;
- (i) a premium of approximately 247.63% to the unaudited consolidated equity attributable to Shareholders per Share of HK\$2.24 as at 30 June 2024 (based on an exchange rate $\text{HK\$1.0} = \text{RMB0.9237}$);
- (j) a premium of approximately 290.38% to the audited consolidated equity attributable to Shareholders per Share of HK\$2.00 as at 31 December 2023 (based on an exchange rate of $\text{HK\$1.0} = \text{RMB0.9237}$); and

- (k) a discount of approximately 27.41% to the Adjusted NAV of HK\$10.74, calculated based on the unaudited adjusted net asset value attributable to the Group of RMB12,425,338,000 (based on an exchange rate of HK\$1.0 = RMB0.9294, as extracted from Bloomberg as at 30 June 2024).

The implementation of the Proposal and the Scheme will be conditional upon the fulfilment or waiver, as applicable, of all the Conditions as described in the section headed “3. *Conditions of the Proposal and the Scheme*” below. All of the Conditions must be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse.

The Cancellation Price has been determined on an arm’s length commercial basis after taking into account the prices of the Shares traded on the Stock Exchange and with reference to other privatisation transactions in Hong Kong in recent years.

Highest and lowest prices

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$7.44 on 7 February 2025, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$3.13 on 16 September 2024.

3. CONDITIONS OF THE PROPOSAL AND THE SCHEME

The Proposal and the Scheme will only become effective and binding on the Company and all of the Scheme Shareholders if the following Conditions are fulfilled or waived (as applicable):

- (a) the approval of the Scheme (by way of poll) at the Court Meeting by the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders entitled to vote at the Court Meeting, present and voting either in person or by proxy at the Court Meeting (with each of the Company Concert Parties who hold Shares in the Company having provided an undertaking to the Grand Court not to attend and vote at the Court Meeting), provided that:
 - (i) the Scheme is approved (by way of a poll) by not less than 75% of the votes attaching to the Disinterested Shares cast by the Disinterested Shareholders, present and voting either in person or by proxy at the Court Meeting; and
 - (ii) the number of votes cast (by way of a poll) by the Disinterested Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all of the Disinterested Shares;
- (b) the passing of a special resolution by a majority of not less than three-fourths of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve and give effect to the reduction of the issued share capital of the Company on the Effective Date by cancelling the Scheme Shares;

- (c) the sanction of the Scheme (with or without modifications) by the Grand Court and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of the Grand Court for registration;
- (d) compliance, to the extent necessary, with the applicable procedural requirements and conditions, if any, under the Companies Act in relation to the reduction of the issued share capital of the Company as a result of the cancellation of the Scheme Shares and the Scheme, respectively;
- (e) in relation to the Controlling Shareholders Rollover Arrangement, the grant of consent under Rule 25 of the Takeovers Code from the Executive in respect of the Controlling Shareholders Rollover Arrangement and the passing of an ordinary resolution by the Disinterested Shareholders present and voting in person or by proxy at the EGM to approve the Controlling Shareholders Rollover Arrangement as a special deal;
- (f) all of the Approvals having been obtained, completed and/or made and remaining in full force and effect without modification or variation;
- (g) all Applicable Laws having been complied with in connection with the Proposal or the Scheme;
- (h) no Authority in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order), in each case, which would make the Proposal or the Scheme void, unenforceable, illegal or impracticable; and
- (i) save in connection with the implementation of the Proposal, the listing of the Shares on the Stock Exchange not having been withdrawn, and no indication having been received from the Executive and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn.

The Conditions in paragraphs (a) to (e) (inclusive) cannot be waived. The Company reserves the right to waive all or any of the Conditions in paragraphs (f) to (i) (inclusive) above in whole or in part. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Company may only invoke any or all of the Conditions as a basis for not proceeding with the Scheme if the circumstances which give rise to the right to invoke any such Condition are of material significance to the Company in the context of the Proposal.

All of the Conditions must be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse.

As at the Latest Practicable Date and based on the information available to the Company, other than those specifically set out as the Conditions above and the application for the withdrawal of the listing of the Shares from the Stock Exchange upon the Scheme becoming effective, the Company is not aware of any Approvals which are required as set out in the Condition in paragraph (f) above, and the Company is also not aware of any other circumstances which may result in any of the Conditions in paragraphs (g) to (i) (inclusive) above not being satisfied. In particular, as at the Latest Practicable Date, the Company was not aware of any Authority in any jurisdiction having taken or instituted any such action, proceeding, suit, investigation or enquiry as set out in the Condition in paragraph (h).

As the Controlling Shareholders Rollover Arrangement is not offered to all Shareholders, it constitutes a special deal and requires the consent of the Executive under Rule 25 of the Takeovers Code. The Company has made an application to the Executive on 30 December 2024 to obtain the Executive's consent to the Controlling Shareholders Rollover Arrangement, subject to (a) the Independent Financial Adviser confirming that the terms of the Controlling Shareholders Rollover Arrangement are fair and reasonable; and (b) the passing of an ordinary resolution by the Disinterested Shareholders at the EGM to approve terms of the Controlling Shareholders Rollover Arrangement.

If the Conditions are satisfied or (where applicable) waived, the Scheme will be binding on all of the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the EGM.

Warning: Shareholders, Share Incentive Holders and potential investors should be aware that the implementation of the Proposal, the Scheme and the Share Incentive Proposal is subject to the Conditions being fulfilled or (where applicable) waived. Accordingly, the Proposal and the Share Incentive Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders, Share Incentive Holders and potential investors are advised to exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

4. SHARE INCENTIVE PROPOSAL

As at the Latest Practicable Date, there were 56,879,819 outstanding Share Incentives, comprising:

- (a) 48,177,874 Share Options, including:
 - (i) 25,169,374 Pre-IPO Share Options, including:
 - (A) 21,169,374 Vested Pre-IPO Share Options, each giving holders the right to subscribe for one new Share per Pre-IPO Share Option at an exercise price of HK\$8.43 per Share (in respect of 18,417,974 Vested Pre-IPO Share Options granted on 23 February 2018) or at an exercise price of HK\$15.60 per Pre-IPO Share Option (in respect of 2,751,400 Vested Pre-IPO Share Options granted on 19 November 2018); and

- (B) 4,000,000 Unvested Pre-IPO Share Options, each giving holders the contingent right upon vesting to subscribe for one new Share per Pre-IPO Share Option at an exercise price of HK\$8.43 per Pre-IPO Share Option;
- (ii) 13,402,000 2019 Share Options, including:
 - (A) 7,483,000 Vested 2019 Share Options, each giving holders the right to subscribe for one new Share per 2019 Share Option at the relevant exercise price, which ranges from HK\$8.37 to HK\$11.70 per 2019 Share Option; and
 - (B) 5,919,000 Unvested 2019 Share Options, each giving holders the contingent right upon vesting to subscribe for one new Share per 2019 Share Option at the exercise price, which ranges from HK\$8.37 to HK\$11.70 per 2019 Share Option; and
- (iii) 9,606,500 2024 Share Options, all of which are unvested and each giving holders the contingent right upon vesting to subscribe for one new Share per 2024 Share Option at the exercise price of HK\$4.30; and
- (b) 8,701,945 Share Units, including:
 - (i) 2,898,945 2019 Share Units, all of which are unvested and each giving holders the contingent right upon vesting to receive one new Share per 2019 Share Unit at no consideration; and
 - (ii) 5,803,000 2024 Share Units, all of which are unvested and each giving holders the contingent right upon vesting to receive one new Share per 2024 Share Unit at no consideration.

The Company is making an appropriate offer to the Share Incentive Holders in accordance with Rule 13 of the Takeovers Code as set out below.

Vested Option Proposal

Under the Vested Option Proposal, the Company will offer the Vested Option Holders:

- (a) in respect of the 21,169,374 Vested Pre-IPO Share Options with an exercise price of HK\$8.43 or HK\$15.60, a nominal price of HK\$0.0001 per Vested Pre-IPO Share Option for the cancellation of each Vested Pre-IPO Share Option, as the exercise price of each Vested Pre-IPO Share Option exceeds the Cancellation Price and the “see-through” price is negative; and
- (b) in respect of the 7,483,000 Vested 2019 Share Options with an exercise price of HK\$8.37, HK\$9.37, HK\$10.69 or HK\$11.70, a nominal price of HK\$0.0001 per Vested 2019 Share Option for the cancellation of each

Vested 2019 Share Option, as the exercise price of each Vested 2019 Share Option exceeds the Cancellation Price and the “see-through” price is negative.

The Vested Option Proposal will be conditional upon the Scheme becoming effective.

Unvested Share Incentive Proposal

Under the Unvested Share Incentive Proposal, the Company will offer the Unvested Share Incentive Holders:

- (a) in respect of the 4,000,000 Unvested Pre-IPO Share Options with an exercise price of HK\$8.43, a nominal price of HK\$0.0001 per Unvested Pre-IPO Share Option in exchange for the cancellation of each Unvested Pre-IPO Share Option, as the exercise price of each Unvested Pre-IPO Share Option exceeds the Cancellation Price and the “see-through” price is negative, which will be settled as soon as possible and in any event no later than 7 business days after the Effective Date;
- (b) in respect of the 5,919,000 Unvested 2019 Share Options with an exercise price of HK\$8.37, HK\$9.37, HK\$10.69 or HK\$11.70, a nominal price of HK\$0.0001 per Unvested 2019 Share Option in exchange for the cancellation of each Unvested Pre-IPO Share Option, as the exercise price of each Unvested 2019 Share Option exceeds the Cancellation Price and the “see-through” price is negative, which will be settled as soon as possible and in any event no later than 7 business days after the Effective Date;
- (c) in respect of the 9,606,500 Unvested 2024 Share Options, the “see-through price” of HK\$3.50 per 2024 Share Option (being the Cancellation Price minus the exercise price of HK\$4.30 per 2024 Share Option) in exchange for the cancellation of each 2024 Share Option when such 2024 Share Option would have become vested in accordance with the existing schedule and conditions of grant under the 2024 Share Option Scheme;
- (d) in respect of the 2,898,945 Unvested 2019 Share Units, the Cancellation Price of HK\$7.80 per 2019 Share Unit, in exchange for the cancellation of each 2019 Share Unit in accordance with the existing schedule and conditions of grant under the 2019 Share Award Plan; and
- (e) in respect of the 5,803,000 Unvested 2024 Share Units, the Cancellation Price of HK\$7.80 per 2024 Share Unit, in exchange for the cancellation of each 2024 Share Unit in accordance with the existing schedule and conditions of grant under the 2024 Share Award Plan.

The Unvested Share Incentive Proposal will be conditional upon the Scheme becoming effective.

Share Award Trustee

As at the Latest Practicable Date, the Share Award Trustee holds 15,000 Shares (representing approximately 0.0012% of the issued share capital of the Company), which are all Trustee Allocated Scheme Shares held on trust for certain employees of the Group, which are the underlying Shares in respect of certain vested Share Incentives which have not yet been transferred from the Share Award Trustee to such employees due to administrative reasons. As at the Latest Practicable Date, the Share Award Trustee does not hold any Trustee Unallocated Scheme Shares for the purposes of satisfying future grants or vesting of 2019 Share Units and 2024 share Units.

All Trustee Allocated Scheme Shares held by the Share Award Trustee as at the Record Date shall form part of the Scheme Shares and be cancelled upon the Scheme becoming effective at the Cancellation Price. Conditional upon the Scheme becoming effective, the Company shall pay the aggregate Cancellation Price for the Trustee Allocated Scheme Shares to the Share Award Trustee, which will then pay such amount to the relevant employees of the Group by reference to the number of Trustee Allocated Scheme Shares attributable to such employees on the Record Date as soon as practicable after receipt by the Share Award Trustee of the aggregate Cancellation Price.

During the offer period, the Company does not intend to adopt any new share incentive schemes. As at the Latest Practicable Date, the Company does not intend to grant any new Share Incentives in accordance with the relevant rules governing such Share Incentives.

The Share Incentive Proposal is conditional on the Scheme becoming effective. If any of the Conditions is not fulfilled or (where applicable) waived on or before the Long Stop Date and the Proposal and the Scheme lapse, the Share Incentive Proposal will also lapse.

For the avoidance of doubt, if any Vested Option Holder does not accept the Vested Option Proposal or any Unvested Share Incentive Holder does not accept the Unvested Share Incentive Proposal, such Vested Option Holder or Unvested Share Incentive Holder (as the case may be) will continue to hold their Share Incentives after the Effective Date, and any such Vested Option Holder or Unvested Share Incentive Holder who are subsequently issued Shares as a result of the exercise or vesting of their Share Incentives will be subject to the Amended and Restated Articles of Association to be adopted at the EGM and their Shares will be subject to (i) a compulsory acquisition right by the Company to require such Vested Option Holder or Unvested Share Incentive Holder to sell all such Shares to the Company at the Cancellation Price per Share and (ii) customary drag along and tag along provisions. Please refer to APPENDIX VIII to this Scheme Document for further details.

Further information on the Share Incentive Proposal is set out in the form of the Letter to the Share Incentive Holders in APPENDIX XI, which are being despatched at or around the same time as the despatch of this Scheme Document.

5. SPECIAL DEAL RELATING TO CONTROLLING SHAREHOLDERS ROLLOVER ARRANGEMENT

As at the Latest Practicable Date, the Controlling Shareholders hold 987,339,132 Shares, representing approximately 79.32% of the issued share capital of the Company.

Pursuant to the Proposal, the Company proposes that the Controlling Shareholders will retain their shareholding, i.e. the Controlling Shareholders remain as Shareholders after the Scheme becomes effective so that, subject to the exercise or vesting of Share Incentives which are not cancelled pursuant to the Share Incentive Proposal, the Company will become wholly-owned by the Controlling Shareholders (the “**Controlling Shareholders Rollover Arrangement**”). Accordingly, the Shares held by the Controlling Shareholders will not form part of the Scheme Shares.

As the Controlling Shareholders Rollover Arrangement is not offered to all Shareholders, it constitutes a special deal and requires the consent of the Executive under Rule 25 of the Takeovers Code. The Company has made an application to the Executive on 30 December 2024 to obtain the Executive’s consent to the Controlling Shareholders Rollover Arrangement, subject to (a) the Independent Financial Adviser confirming that the terms of the Controlling Shareholders Rollover Arrangement are fair and reasonable; and (b) the passing of an ordinary resolution by the Disinterested Shareholders at the EGM to approve the terms of the Controlling Shareholders Rollover Arrangement.

Accordingly, as set out in Condition (e), the Proposal is subject to the grant of consent from the Executive in respect of the Controlling Shareholders Rollover Arrangement.

6. CONFIRMATION OF FINANCIAL RESOURCES

As at the Latest Practicable Date, there were:

- (a) 257,428,981 Scheme Shares in issue;
- (b) 48,177,874 Share Options, including:
 - (i) 25,169,374 Pre-IPO Share Options, including:
 - A. 21,169,374 Vested Pre-IPO Share Options; and
 - B. 4,000,000 Unvested Pre-IPO Share Options;
 - (ii) 13,402,000 2019 Share Options, including:
 - A. 7,483,000 Vested 2019 Share Options; and
 - B. 5,919,000 Unvested 2019 Share Options; and
 - (iii) 9,606,500 2024 Share Options; and

- (c) 8,701,945 Share Units, including:
 - (i) 2,898,945 2019 Share Units; and
 - (ii) 5,803,000 2024 Share Units.

Assuming that (i) none of the Share Incentives will be exercised on or before the Record Date; (ii) all Share Incentive Holders accept the Share Incentive Proposal and (iii) no new Shares will be issued and no new Share Incentives will be granted on or before the Record Date, the Proposal and the Share Incentive Proposal will involve the cancellation of:

- (a) 257,428,981 Scheme Shares in exchange for the Cancellation Price per Scheme Share in cash;
- (b) 56,879,819 Share Incentives in exchange for the Cancellation Price, “see-through” price or nominal price (as applicable) per Share Incentive (details of which are further set out in the section headed “4. *Share Incentive Proposal*” above),

with an aggregate amount payable in cash accordingly being HK\$2,109,447,829.94.

Accordingly, assuming that no new Shares will be issued and no new Share Incentives will be granted on or before the Record Date, the maximum aggregate amount payable to implement the Proposal and the Share Incentive Proposal in full will be HK\$2,109,447,829.94.

Assuming that (i) all of the vested Share Options (being the Vested Pre-IPO Share Options and the Vested 2019 Share Options) will be exercised on or before the Record Date; (ii) all holders of Unvested Share Incentives accept the Unvested Share Incentive Proposal and (iii) no new Shares will be issued and no new Share Incentives will be granted on or before the Record Date, the Proposal and the Share Incentive Proposal will involve the cancellation of:

- (a) 257,428,981 Scheme Shares as at the Latest Practicable Date in exchange for the Cancellation Price per Scheme Share in cash;
- (b) 28,652,374 new Scheme Shares to be issued by the Company upon exercise of 21,169,374 Vested Pre-IPO Share Options and 7,483,000 Vested 2019 Share Options; and
- (c) 28,227,445 Share Incentives in exchange for the Cancellation Price, “see-through” price or nominal price (as applicable) per Share Incentive (details of which are further set out in the section headed “4. *Share Incentive Proposal*” above),

with an aggregate amount payable in cash accordingly being HK\$2,332,933,481.90.

Accordingly, assuming that no other new Shares will be issued and no new Share Incentives will be granted on or before the Record Date, the maximum aggregate amount payable to implement the Proposal and the Share Incentive Proposal in full will be HK\$2,332,933,481.90.

The Company proposes to finance the cash consideration payable under the Proposal and the Share Incentive Proposal in full through its internal cash resources and/or external debt financing arranged by Crédit Agricole Corporate and Investment Bank, Hong Kong Branch, Natixis, Hong Kong Branch and Deutsche Bank AG, Hong Kong Branch.

The consideration for the Proposal and the Share Incentive Proposal, being approximately HK\$2,332,933,481.90 if the Proposal and the Share Incentive Proposal are implemented in full, will be paid in cash and will be funded by a committed term loan facility under a facility agreement dated 9 December 2024 between, among others, the Company as borrower, Crédit Agricole Corporate and Investment Bank, Hong Kong Branch, Natixis, Hong Kong Branch and Deutsche Bank AG, Singapore Branch as original lenders (the “**Original Lenders**”), and Natixis, Singapore Branch as agent (the “**Facility Agreement**”).

Subject to the terms and conditions of the Facility Agreement, the lenders (including any Original Lender and/or any person which has become a party to the Facility Agreement) agree to make available to the Company (as borrower) a committed term loan facility (which may be utilised in Hong Kong dollars or euro) in an aggregate amount sufficient to finance the maximum aggregate amount payable to implement the Proposal and the Share Incentive Proposal in full. The rate of interest of the committed term loan facility in connection with the Proposal and the Share Incentive Proposal under the Facility Agreement shall be of HIBOR or EURIBOR (as applicable) plus an agreed percentage rate per annum.

The Facility Agreement is subject to representations, warranties and covenants which are customary to such type of loan facilities. Customary events of default such as change of ownership or control of the Company and certain members of the Group could trigger acceleration of payment.

The Company has appointed Deutsche Bank as its lead financial adviser and Fosun International Capital as its joint financial adviser in respect of the Proposal and the Share Incentive Proposal. Deutsche Bank, as lead financial adviser to the Company, is satisfied that sufficient financial resources are available to the Company to satisfy its payment obligations in respect of the maximum cash consideration payable under the Proposal and the Share Incentive Proposal.

7. SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date:

- (a) the issued share capital of the Company is 1,244,768,113 Shares;

- (b) the Controlling Shareholders beneficially control or have direction over 987,339,132 Shares, representing approximately 79.32% of the issued share capital of the Company; for the avoidance of doubt, the Shares held by the Controlling Shareholders shall not form part of the Scheme Shares;
- (c) the Directors and the FIL Directors beneficially control or have direction over 2,176,394 Shares, representing approximately 0.17% of the issued share capital of the Company; for the avoidance of doubt, these Shares shall form part of the Scheme Shares;
- (d) the Share Award Trustee holds 15,000 Shares, representing approximately 0.0012% of the issued share capital of the Company, which are all Trustee Allocated Scheme Shares held on trust for certain employees of the Group, which are the underlying Shares in respect of certain vested Share Incentives which have not yet been transferred from the Share Award Trustee to such employees due to administrative reasons;
- (e) the Disinterested Shareholders legally and/or beneficially own, control or have direction over 255,237,587 Shares in aggregate, representing approximately 20.50% of the issued share capital of the Company;
- (f) the Share Incentive Holders in aggregate hold 56,879,819 outstanding Share Incentives, comprising 25,169,374 Pre-IPO Share Options, 13,402,000 2019 Share Options, 2,898,945 2019 Share Units, 9,606,500 2024 Share Options and 5,803,000 2024 Share Units;

- (g) 10,709,025 of the 56,879,819 outstanding Share Incentives are held by the following Directors:

Directors	Number of Vested Pre-IPO Share Options	Number of Unvested 2019 Share Options	Number of Vested 2019 Share Options	Number of Unvested 2019 Share Units	Number of Unvested 2024 Share Options	Number of Unvested 2024 Share Units	Total number of outstanding Share Incentives	Approximate % of total issued Shares ⁽¹⁾
Xu Xiaoliang (Chairman of the Board of the Group, Executive Director and Chairman of Club Med Holding)	—	627,500	702,500	210,800	1,500,000	750,000	3,790,800	0.30%
Xu Bingbin (Executive Director, Co-President of the Group and Global Deputy CEO of Club Med and CEO of Club Med China)	1,517,625	460,000	820,000	125,800	750,000	375,000	4,048,425	0.33%
Choi Yin On (Executive Director, Senior Vice President and Chief Financial Officer, Chief Financial Officer of Club Med)	—	280,000	430,000	74,800	540,000	270,000	1,594,800	0.13%
Pan Donghui (Non-executive Director)	—	127,500	162,500	51,000	225,000	150,000	716,000	0.06%
Huang Zhen (Non-executive Director)	—	75,000	75,000	34,000	225,000	150,000	559,000	0.04%
Total	1,517,625	1,570,000	2,190,000	496,400	3,240,000	1,695,000	10,709,025	0.86%

Note (1): Based on the total number of issued Shares as at the date of the Announcement.

- (h) save for the 1,244,768,113 Shares in issue and the Share Incentives referred to in paragraph (f) above, the Company does not have any outstanding shares, options, warrants, convertible securities or other relevant securities in issue.

Shareholding Structure

The table below sets out the shareholding structure of the Company as at the Latest Practicable Date and immediately following completion of the Proposal, assuming that: (a) no further Shares will be issued and no further Share Incentives will be granted on or before the Record Date; and (b) there will be no other change in the shareholding of the Company before the Effective Date:

Shareholders	As at the Latest Practicable Date		Immediately following completion of the Proposal	
	Number of Shares	Total number of Shares in issue (%) ⁽⁷⁾	Number of Shares	Total number of Shares in issue (%) ⁽⁷⁾
(A) Controlling Shareholders⁽¹⁾				
Fosun International	971,949,202	78.08	971,949,202	98.44
FHL	15,389,930	1.24	15,389,930	1.56
Sub-total	<u>987,339,132</u>	<u>79.32</u>	<u>987,339,132</u>	<u>100.00</u>
(B) Directors of the Company (subject to the Scheme)⁽²⁾				
Xu Xiaoliang ⁽³⁾	511,528	0.04	—	—
Xu Bingbin ⁽³⁾	444,200	0.04	—	—
Choi Yin On ⁽³⁾	245,200	0.02	—	—
Pan Donghui ⁽³⁾	149,000	0.01	—	—
Huang Zhen ⁽³⁾	124,000	0.01	—	—
Sub-total	<u>1,473,928</u>	<u>0.12</u>	<u>—</u>	<u>—</u>
(C) FIL Directors (subject to the Scheme)⁽⁴⁾				
Chen Qiyu	501,478	0.04	—	—
Gong Ping	200,988	0.02	—	—
Sub-total	<u>702,466</u>	<u>0.06</u>	<u>—</u>	<u>—</u>
(D) Share Award Trustee (subject to the Scheme)⁽⁶⁾				
	<u>15,000</u>	<u>0.0012</u>	<u>—</u>	<u>—</u>
(E) Company Concert Parties (A) + (B) + (C) + (D)⁽⁵⁾				
	<u>989,530,526</u>	<u>79.50</u>	<u>987,339,132</u>	<u>100.00</u>
(F) Disinterested Shareholders				
	<u>255,237,587</u>	<u>20.50</u>	<u>—</u>	<u>—</u>
Total number of Shares in issue (E) + (F)				
	<u>1,244,768,113</u>	<u>100.00</u>	<u>987,339,132</u>	<u>100.00</u>

Notes:

- Fosun International is a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 0656). Fosun International is owned as to approximately 72.76% by FHL, which is a company incorporated in the Hong Kong with limited liability. FHL is in turn wholly-owned by FIHL, which is a company incorporated in the British Virgin Islands with limited liability, the equity interest of which is held as to 85.29% by Guo Guangchang. Shares in which Fosun International and FHL are interested will not form part of the Scheme Shares and will not be cancelled.

2. Xu Xiaoliang, Xu Bingbin and Choi Yin On are the executive Directors of the Company, and Pan Donghui and Huang Zhen are the non-executive Directors of the Company.
3. The number of Shares in which each of the Directors of the Company is interested does not include any Share Incentives. Please refer to paragraph (g) of the section headed “7. *Shareholding Structure of the Company*” above for details of the Share Incentives held by the Directors as at the Latest Practicable Date.
4. Chen Qiyu and Gong Ping are executive directors of Fosun International.
5. Deutsche Bank is the lead financial adviser to the Company in connection with the Proposal and the Share Incentive Proposal. Accordingly, Deutsche Bank and the relevant members of the Deutsche Bank group which hold Shares on an own account basis or manage Shares on a discretionary basis are presumed to be acting in concert with the Company in relation to the Company in accordance with class (5) of the definition of “acting in concert” under the Takeovers Code (except in respect of the Shares held by members of the Deutsche Bank group which are exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purposes of the Takeovers Code). Members of the Deutsche Bank group which are exempt principal traders and exempt fund managers which are connected for the sole reason that they control, are controlled by or are under the same control as Deutsche Bank are not presumed to be acting in concert with the Company.

As of the Latest Practicable Date, members of the Deutsche Bank group (other than exempt principal traders and exempt fund managers) do not legally or beneficially own, control, or have direction over any Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

Fosun International Capital is the joint financial adviser to the Company in connection with the Proposal and the Share Incentive Proposal. As of the Latest Practicable Date, Fosun International Capital does not legally or beneficially own, control, or have direction over any Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

6. As at the Latest Practicable Date, the Share Award Trustee holds 15,000 Shares (representing approximately 0.0012% of the issued share capital of the Company). Further details are set out in the section headed “4. *Share Incentive Proposal*” above. As the Share Award Trustee is presumed to be acting in concert with the Company in relation to the Company in accordance with class (3) of the definition of “acting in concert” under the Takeovers Code, and pursuant to Rule 17.05A of the Listing Rules and the rules of the Pre-IPO Share Option Scheme, 2019 Share Option Scheme and 2019 Share Award Plan, the Share Award Trustee shall not exercise the voting rights attached to the Shares held by it. Accordingly, such 15,000 Shares are not Disinterested Shares and will not be voted on the Scheme at the Court Meeting nor at the EGM.
7. All percentages in the above table are approximations and rounded to the nearest 2 decimal places and the aggregate percentages may not add up due to rounding of the percentages to 2 decimal places.

8. INFORMATION ON THE GROUP

The Company is an exempted company incorporated in the Cayman Islands with limited liability whose Shares have been listed on the Main Board of the Stock Exchange since 14 December 2018. The Group is one of the leading leisure-focused integrated tourism groups, and its principal activities are (i) Club Med and others, which comprised principally the Club Med resort operation business and other relevant business such as transportation service, resort construction service, and youth play and learning service; (ii) Atlantis Sanya; (iii) Vacation Asset Management Center; and (iv) Foryou Club and Other Services.

Your attention is also drawn to APPENDIX I — “Financial Information of the Group” and APPENDIX III — “General Information” of this Scheme Document.

9. INTENTION OF THE COMPANY WITH REGARD TO THE GROUP

It is the Company’s intention that, subject to the Scheme becoming effective, all of the Scheme Shares will be cancelled and the Company has made an application to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange in accordance with Rule 6.15 of the Listing Rules, with effect immediately from 4:00 p.m. on Wednesday, 19 March 2025. Completion of the Proposal will not result in a change of control of the Company within the meaning of the Takeovers Code.

As at the Latest Practicable Date, the Company is contemplating a possible spin-off and separate REIT listing of Atlantis Sanya on the Shanghai Stock Exchange (the “**Proposed Spin-off Listing**”). Atlantis Sanya is a business segment of the Group which comprises the one-stop high-end comprehensive resort destination located in the Haitang Bay National Coast of Sanya, Hainan province, PRC, and which conducts hotel operation services and various supporting tourism and entertainment services (“**Atlantis Sanya**”).

Shareholders and potential investors should note that the Proposed Spin-off Listing are subject to, among other things, approvals by the Shareholders, the Stock Exchange and relevant PRC regulators (including the NDRC, the CSRC and the Shanghai Stock Exchange). There is no assurance that the Proposed Spin-off Listing will proceed or complete. Accordingly, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

Other than as disclosed above, as at the Latest Practicable Date, it is the intention of the Company for the Group to continue to carry on its existing business and the Company does not have any plan to make any material change to: (a) the business of the Group (including any redeployment of any fixed asset of the Group); or (b) the continued employment of the employees of the Group (other than in the ordinary course of business).

As the Proposal involves a proposed share-buy-back of the Company by way of a scheme of arrangement under section 86 of the Companies Act, the Company has no intention to rely on sections 705, 711 to 716 and 718 to 721 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong) or any comparable company law in the Cayman Islands in relation to right of compulsory acquisition of Shares held by minority Shareholders.

10. PROFIT WARNING ANNOUNCEMENT AND PROFIT ESTIMATE

As disclosed in the Profit Warning Announcement, based on a preliminary view of the unaudited consolidated management accounts of the Group for the year ended 31 December 2024 (the “**Period**”), the net profit/loss attributable to equity holders of the Company for the Period will fall in the range between RMB50 million net loss and RMB10 million net profit, as compared to the audited net profit attributable to equity holders of the Company of RMB307.2 million for the financial year ended 31 December 2023.

The Board believes that the deterioration in the financial performance of the Group for the Period is mainly attributable to declined property sales in 2024 due to the housing market downturn in China.

The Profit Estimate (as defined in the Profit Warning Announcement) constitutes a “profit forecast” under Rule 10 of the Takeovers Code and shall be reported on by the Financial Adviser and the Company’s auditor in accordance with the requirements under Rule 10 of the Takeovers Code. The Profit Estimate has been reported on by Ernst & Young, the Company’s auditor and Deutsche Bank, the lead financial adviser of the Company. Ernst & Young has reported that, so far as the accounting policies and calculations are concerned, the Profit Estimate has been properly compiled in accordance with the bases adopted by the directors as set out in the Profit Warning Announcement and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the audited consolidated financial statements of the Group for the year ended 31 December 2023. Deutsche Bank is satisfied that the Profit Estimate has been prepared by the Directors with due care and consideration.

Your attention is drawn to the reports issued by Ernst & Young and Deutsche Bank on the Profit Estimate set out in APPENDIX V and APPENDIX VI to this Scheme Document respectively.

11. FINANCIAL EFFECTS OF THE PROPOSAL AND THE SHARE INCENTIVE PROPOSAL

The unaudited pro forma financial information of the Group upon completion of the Proposal and the Share Incentive Proposal, illustrating the financial impact of the Proposal on the Group’s earnings per Share, net assets per Share, liabilities and working capital is set out in APPENDIX II to this Scheme Document.

Earnings per Share

Based on the unaudited pro forma financial information of the Group as set out in APPENDIX II to this Scheme Document and assuming that (i) the Proposal was completed on 1 January 2024 and (ii) all Share Incentive Holders accepted the Share Incentive Proposal and the Share Incentive Proposal was completed on 1 January 2024, the basic and diluted earnings per Share for the six months ended 30 June 2024 would, as a result, have decreased by approximately 3.8% from approximately RMB0.26 per Share and RMB0.26 per Share, respectively, to approximately RMB0.25 per Share and RMB0.25 per Share, respectively.

Net assets per Share

Based on the unaudited pro forma financial information of the Group as set out in APPENDIX II to this Scheme Document and assuming that (i) the Proposal was completed on 30 June 2024 and (ii) all Share Incentive Holders accepted the Share Incentive Proposal and the Share Incentive Proposal was completed on 30 June 2024, the net assets per Share as at 30 June 2024 would, as a result, have decreased by approximately 64.7% from approximately RMB2.07 per Share to approximately RMB0.73 per Share.

Liabilities

The Proposal and the Share Incentive Proposal will be paid in cash and funded by the Group's internal cash resources and/or external debt financing arranged by Crédit Agricole Corporate and Investment Bank, Hong Kong Branch, Natixis, Hong Kong Branch and Deutsche Bank AG, Hong Kong Branch. The liabilities as at 30 June 2024 of the Group would have increased by 5.5% from approximately RMB34,802,577,000 to approximately RMB36,704,581,000.

Working capital

Net current liabilities as at 30 June 2024 would change by approximately 34.5% from approximately RMB5,378,341,000 to approximately RMB7,233,573,000.

The Directors confirm that the Group will have sufficient working capital to meet its normal operating requirements following completion of the Proposal and the Share Incentive Proposal.

Based on the above and having considered the manner of funding of the consideration of the Proposal and the Share Incentive Proposal, the Company considers that completion of the Proposal and the Share Incentive Proposal will have no material adverse effect on the Group's earnings per Share, net assets per Share, liabilities or working capital, in each case from a business operation perspective.

12. INDEPENDENT FINANCIAL ADVISER

As the Proposal and the Share Incentive Proposal are initiated by the Board, it is not possible for the Company to form an independent board committee to advise and make recommendations to the Disinterested Shareholders and the Share Incentive Holders as to: (i) whether the terms of the Proposal, the Scheme, the Share Incentive Proposal and the Controlling Shareholders Rollover Arrangement are, or are not, fair and reasonable; and (ii) whether (a) the Disinterested Shareholders are to vote in favour of the Scheme at the Court Meeting and the resolutions in connection with the implementation of the Proposal and the Scheme at the EGM; and (b) the Share Incentive Holders are to accept the Share Incentive Proposal.

Accordingly, under Rule 2.8 of the Takeovers Code, the Board has appointed Altus Capital Limited as the Independent Financial Adviser to advise the Disinterested Shareholders and the Share Incentive Holders on the Proposal and the Share Incentive Proposal.

The Independent Financial Adviser has advised the Disinterested Shareholders and the Share Incentive Holders that it considers that the terms of the Proposal, the Scheme, the Share Incentive Proposal and the Controlling Shareholders Rollover Arrangement are fair and reasonable so far as the Disinterested Shareholders and Share Incentive Holders are respectively concerned, and accordingly, it advises (a) the Disinterested Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the EGM to approve and implement the Proposal and the Scheme; and (b) the Share Incentive Holders to accept the Share Incentive Proposal.

The full text of the letter from the Independent Financial Adviser is set out in Part V of this Scheme Document.

13. REASONS FOR AND BENEFITS OF THE PROPOSAL

The Board considers that the Proposal and the withdrawal of listing is in the interests of the Company and the Shareholders as a whole on the following bases:

(a) Certain, near-term value at a substantial premium for Scheme Shareholders

The Proposal provides a certain exit at a substantial premium to the historical closing prices per Share as quoted on the Stock Exchange prior to the Announcement. As set out in the section headed “2. *Terms of the Proposal*” above, the Cancellation Price represents a significant premium of:

- 95.00% to the Company’s closing price per Share as quoted on the Stock Exchange as at the Last Trading Date; and
- 111.19% and 110.30% over the average closing price of c. HK\$3.69 and c. HK\$3.71 per share for the 30 and 60 trading days up to and including the Last Trading Date, respectively.

(b) Unique opportunity for Shareholders to fully monetise investment with limited liquidity

There has been minimal trading liquidity in the Shares for a sustained period of time. The average daily trading volume of the Shares for the 6, 12 and 24 months leading up to and including the Last Trading Date were approximately 1,565,803 Shares, 1,479,991 Shares and 1,120,974 Shares, respectively, representing only 0.13%, 0.12% and 0.09% of the total number of Shares of the Company.

Considering the low trading volume in the Company, it would be difficult for Scheme Shareholders to execute substantial on-market disposals without further adversely affecting the price of the Shares. As such, the Scheme presents an immediate opportunity for Scheme Shareholders to monetise their investments for cash and redeploy the proceeds from accepting the Scheme into other investment opportunities.

(c) Unlocking shareholder value and realising gains in current uncertain market conditions

The Proposal provides the Scheme Shareholders an opportunity to realise their investment in the Company during uncertain market conditions. The Hong Kong stock market, and in particular leisure and tourism companies, have experienced considerable downward pressure in recent years due to geopolitical factors and uncertain sentiment in the recovery of global and regional economy. From its peak on 17 February 2021, to the Last Trading Date, the Hang Seng index is down 38.4%. Moreover, the Company's share price is down 65.6% from 17 February 2021 to the Last Trading Date, performing worse than the Hang Seng index over the same period.

(d) Flexibility for the Company to make long term strategic decisions as a private company

In order to fully realise the Group's platform value in the long term, the Company aims to successfully transition to an asset-light operation and continue to invest in its core business to build a sustainable growth engine. There remains significant time and effort required to progress and ultimately complete these initiatives as a listed company, including obtaining shareholder approvals and managing public investor uncertainty and expectations in light of potential short-term earnings fluctuations caused by the above activities.

Moreover, the delisting of the Shares, if materialised, will allow the Company to save costs and expenses associated with regulatory compliance of its listing of Shares.

14. ACTIONS TO BE TAKEN

The summary of actions to be taken by the Shareholders can be found in Part II — Actions to be Taken in this Scheme Document.

15. COURT MEETING AND EGM

In accordance with the directions of the Grand Court, the Court Meeting will be held for the purpose of considering and, if thought fit, passing a resolution to approve the Scheme (with or without modifications).

Only Scheme Shareholders as at the Meeting Record Date may attend and vote at the Court Meeting to approve the Scheme. The Controlling Shareholders, the Directors who hold Shares in the Company, the FIL Directors who hold Shares in the Company, and the Share Award Trustee, as Company Concert Parties, have provided an undertaking to the Grand Court not to attend and vote at the Court Meeting. These Company Concert Parties

have also undertaken to the Grand Court to be bound by the Scheme, so as to ensure that they will comply with and be subject to the terms and conditions of the Scheme. These Company Concert Parties have also undertaken to the Grand Court to be bound by the Scheme, so as to ensure that they will comply with and be subject to the terms and conditions of the Scheme.

All Shareholders as at the Meeting Record Date will be entitled to attend the EGM and to vote on the special resolution to approve and give effect to the reduction of the issued share capital of the Company on the Effective Date by cancelling the Scheme Shares.

As the Share Award Trustee is presumed to be acting in concert with the Company in relation to the Company in accordance with class (3) of the definition of “acting in concert” under the Takeovers Code, and pursuant to Rule 17.05A of the Listing Rules and the rules of the 2019 Share Award Plan and the 2024 Share Award Plan, the Share Award Trustee shall not exercise the voting rights attached to the Shares held by it. Accordingly, the 15,000 Shares held by the Share Award Trustee as at the Latest Practicable Date are not Disinterested Shares and will not be voted on the Scheme at the Court Meeting nor at the EGM.

Notice of the Court Meeting is set out in APPENDIX IX of this Scheme Document. The Court Meeting will be held at 3:00 p.m. on Tuesday, 4 March 2025 at 8th Floor, Tower T1, No. 118 Feihong Road, Hongkou District, Shanghai, the PRC.

Notice of the EGM is set out in APPENDIX X of this Scheme Document. The EGM will be held at 3:30 p.m. (or as soon as practicable after the conclusion or adjournment of the Court Meeting) on Tuesday, 4 March 2025 at 8th Floor, Tower T1, No. 118 Feihong Road, Hongkou District, Shanghai, the PRC.

The Court Hearing to sanction the petition is listed to be heard on Friday, 14 March 2025 at 10:00 a.m. (Cayman Islands time). Any Scheme Shareholder who voted at the Court Meeting and any Beneficial Owner who gave voting instructions to a custodian or a clearing house who voted at the Court Meeting are entitled to attend, or appear by counsel, and be heard at the Court Hearing.

Closure of the register of members of the Company

For the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, 27 February 2025 to Tuesday, 4 March 2025 (both days inclusive) and during such period, no transfer of Shares will be effected. In order to qualify to vote at the Court Meeting and the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong before 4:30 p.m. on Wednesday, 26 February 2025.

Binding effect of the Scheme

When all of the Conditions set out in the section headed “3. *Conditions of the Proposal and the Scheme*” above are fulfilled or waived (as applicable), the Scheme will become effective and binding on the Company and all Scheme Shareholders.

16. WITHDRAWAL OF LISTING OF THE SHARES ON THE STOCK EXCHANGE

Upon the Scheme becoming effective, all of the Scheme Shares will be cancelled and the share certificates in respect of the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company has made an application to the Stock Exchange for the withdrawal of the listing of the Shares from the Stock Exchange in accordance with Rule 6.15 of the Listing Rules, with effect immediately from 4:00 p.m. on Wednesday, 19 March 2025 subject to the Scheme becoming effective.

The Shareholders will be notified by way of an announcement of the exact dates of the last day for dealing in the Shares on the Stock Exchange and the day on which the Scheme and the withdrawal of the listing of the Shares from the Stock Exchange will become effective.

17. PROPOSED ADOPTION OF THE AMENDED AND RESTATED ARTICLES OF ASSOCIATION

It is proposed that, subject to the withdrawal of listing of the Shares on the Stock Exchange, the Amended and Restated Articles of Association (as set out in APPENDIX VIII of this Scheme Document) will be adopted to reflect the Company’s status as a non-listed limited company. A special resolution to adopt the Amended and Restated Articles of Association will be put to the Shareholders at the EGM.

18. IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

If the Scheme is not approved or the Proposal otherwise lapses, an announcement will be made by the Company, and:

- (a) no Scheme Shares will be cancelled or extinguished, the shareholding structure of the Company will not change as a result of the Proposal, and the Company will continue to have sufficient public float as required by the Listing Rules;
- (b) the listing of the Shares on the Stock Exchange will not be withdrawn;
- (c) as the Share Incentive Proposal is conditional upon the Scheme becoming effective, the Share Incentive Proposal will lapse; and
- (d) there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Company nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses: (i) announce an offer or possible

offer for the Company, or (ii) acquire any voting rights of the Company if the persons acting in concert with it would thereby become obliged under Rule 26 of the Takeovers Code to make an offer, in each case except with the consent of the Executive.

19. REGISTRATION AND PAYMENT

Latest time for lodging transfers of Shares

In order to qualify for entitlements under the Scheme, all transfers of shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, for registration in their names or in the names of their nominees before 4:30 p.m. on Monday, 10 March 2025.

Payment of the Cancellation Price to the Scheme Shareholders

Subject to the Scheme becoming effective, the Cancellation Price will be paid to the Scheme Shareholders whose names appear on the register of members of the Company on the Record Date as soon as possible but in any event within seven business days (as defined in the Takeovers Code) following the Effective Date. On the basis that the Scheme becomes effective on Monday, 17 March 2025 (Cayman time), the cheques for the payment of the Cancellation Price are expected to be despatched on or before Wednesday, 26 March 2025.

Cheques for the payment of the Cancellation Price will be sent by ordinary post in postage pre-paid envelopes addressed to the persons entitled thereto at their respective registered addresses on the register of members of the Company or, in the case of joint holders, to the registered address of that joint holder whose name first appears on the register of members of the Company in respect of the joint holding. All such cheques will be sent at the risk of the persons entitled thereto and none of the Company, Deutsche Bank, Fosun International Capital, the Independent Financial Adviser and the share registrar of the Company and their respective nominees, directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal shall be liable for any loss or delay in despatch.

On or after the day being six calendar months after the posting of such cheques, the Company shall have the right to cancel or countermand payment of any such cheque which has not been cashed or has been returned uncashed, and shall place all monies represented thereby in a deposit account in the name of the Company with a licensed bank selected by the Company.

The Company shall hold all monies in respect of uncashed cheques until the expiry of six years from the Effective Date and shall, prior to such date, make payments therefrom of the sums payable pursuant to the Scheme to persons who satisfy the Company that they are respectively entitled thereto, provided that the cheques referred to in the foregoing sentence of which they are payees have not been cashed. Any payments made by the Company shall not include any interest accrued on the sums to

which the respective persons are entitled pursuant to the Scheme, and are subject to, if applicable, the deduction of interest, tax or any withholding tax or any other deduction required by law. The Company shall exercise its absolute discretion in determining whether or not it is satisfied that any person is so entitled and a certificate of the Company to the effect that any particular person is so entitled or not so entitled, as the case may be, shall be conclusive and binding upon all persons claiming an interest in the relevant monies.

On the expiry of six years from the Effective Date, the Company shall be released from any further obligation to make any payments under the Scheme and the Company shall be absolutely entitled to the balance (if any) of the sums then standing to the credit of the deposit account, including accrued interest subject to any deduction required by law and any expenses incurred.

Settlement of the Cancellation Price to which any Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Company may otherwise be, or claim to be, entitled against any such Scheme Shareholder.

Upon the Scheme becoming effective, the register of members of the Company will be updated accordingly to reflect the cancellation of all of the Scheme Shares and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title as from the Effective Date, which is expected to be on Monday, 17 March 2025 (Cayman time).

Payment to the Share Incentive Holders under the Share Incentive Proposal

On the basis that the Scheme becomes effective, payment (by cheque or bank transfer) of the applicable cash entitlements to Share Incentive Holders under:

- (a) (i) the Vested Option Proposal or (ii) the Unvested Share Incentive Proposal (in respect of any Unvested Pre-IPO Share Options or Unvested 2019 Share Options) will be despatched or made as soon as possible but in any event within seven (7) business days (as defined in the Takeovers Code) following the Effective Date. On the basis that the Scheme becomes effective on 17 March 2025 (Cayman time), the payment of the nominal price under the Share Incentive Proposal is expected to be made (or otherwise the cheque is expected to be despatched) on or before 26 March 2025; and
- (b) the Unvested Share Incentive Proposal (in respect of any Unvested 2024 Share Options, Unvested 2019 Share Units or Unvested 2024 Share Units) will be paid to you on a staggered basis within seven (7) business days after such Unvested Share Incentive would have become vested in accordance with the existing schedule and conditions of grant under the 2024 Share Option Scheme, the 2019 Share Award Plan and the 2024 Share Award Plan (as applicable).

Payment will be made either by way of (i) electronic bank transfer into bank accounts as customarily used by the Share Incentive Holders to receive other compensation from the Group (or as otherwise notified by the Share Incentive Holders to the Group), or (ii) in cheques by ordinary post in postage pre-paid envelopes addressed to the Share Incentive Holders at their respective last known addresses as notified by the Share Incentive Holders to the Group.

If payment is made by way of cheques, all such cheques will be sent at the risk of the persons entitled thereto and none of the Company, Deutsche Bank, Fosun International Capital, the Independent Financial Adviser and the share registrar of the Company and their respective nominees, directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal and the Share Incentive Proposal shall be liable for any loss or delay in despatch.

On or after the day being six (6) calendar months after the posting of such cheques, the Company shall have the right to cancel or countermand payment of any such cheque which has not been cashed or has been returned uncashed, and shall place all monies represented thereby in a deposit account in the name of the Company with a licensed bank selected by the Company.

The Company shall hold all monies in respect of uncashed cheques until the expiry of six (6) years from the Effective Date and shall, prior to such date, make payments therefrom of the sums payable pursuant to the Share Incentive Proposal to persons who satisfy the Company that they are respectively entitled thereto, provided that the cheques referred to in the foregoing sentence of which they are payees have not been cashed. Any payments made by the Company shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to the Share Incentive Proposal, and are subject to, if applicable, the deduction of interest, tax or any withholding tax or any other deduction required by law. The Company shall exercise its absolute discretion in determining whether or not it is satisfied that any person is so entitled and a certificate of the Company to the effect that any particular person is so entitled or not so entitled, as the case may be, shall be conclusive and binding upon all persons claiming an interest in the relevant monies.

On the expiry of six (6) years from the Effective Date, the Company shall be released from any further obligation to make any payments under the Share Incentive Proposal and the Company shall be absolutely entitled to the balance (if any) of the sums then standing to the credit of the deposit account, including accrued interest subject to any deduction required by law and any expenses incurred.

Settlement of cash payments to which any Share Incentive Holder is entitled under the Share Incentive Proposal will be implemented in full in accordance with the terms of the Share Incentive Proposal, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Company may otherwise be, or claim to be, entitled against any such Share Incentive Holder.

20. OVERSEAS SCHEME SHAREHOLDERS AND OVERSEAS SHARE INCENTIVE HOLDERS

This Scheme Document has been prepared for the purposes of complying with the laws of Hong Kong and the Cayman Islands, the Takeovers Code and the Listing Rules, and the information disclosed may not be the same as that which would have been disclosed if this Scheme Document had been prepared in accordance with the laws of any other jurisdictions.

This Scheme Document is not intended to, and does not, constitute, or form part of, an offer to buy or sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote, approval or acceptance in any jurisdiction pursuant to the Proposal, the Scheme, the Share Incentive Proposal or otherwise.

The availability of the Proposal and the Share Incentive Proposal to persons who are citizens, residents or nationals of a jurisdiction other than Hong Kong may be affected by the laws of the relevant jurisdiction in which they are located or resident or of which they are citizens. Such Scheme Shareholders and Share Incentive Holders should inform themselves about and observe any applicable legal, regulatory or tax requirements in their respective jurisdictions and, where necessary, seek their own legal advice. The Company does not represent that this Scheme Document may be lawfully distributed in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Company which is intended to permit a public offering or the distribution of this Scheme Document in any jurisdiction (other than in Hong Kong) where action for that purpose is required. Accordingly, Scheme Shareholders and Share Incentive Holders are prohibited from (i) copying, distributing or publishing all or part of this Scheme Document or any advertisement or other offering material in any jurisdiction (other than Hong Kong) or (ii) using information contained therein for any purpose other than assessment of the Proposal, the Scheme and/or the Share Incentive Proposal, unless the information is already publicly available in another form.

It is the responsibility of the overseas Scheme Shareholders and the Share Incentive Holders who wish to take any action in relation to the Proposal, the Scheme and/or the Share Incentive Proposal to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with any such action, including the obtaining of any governmental, exchange control or other consent which may be required, the compliance with any other necessary formality and the payment of any issue, transfer or other tax in any relevant jurisdiction.

As at the Latest Practicable Date, there were no overseas Scheme Shareholders whose address as shown in the register of members of the Company was outside of Hong Kong.

As at the Latest Practicable Date, there were 113 Share Incentive Holders whose addresses as reflected in the records of the Company were outside of Hong Kong and those Share Incentive Holders together hold 46,295,374 Share Options and 8,106,145 Share Units. Jurisdictions of those Share Incentive Holders include: Australia, Brazil, Canada, PRC, France, Italy, Singapore, Ukraine and the United States.

Having made all reasonable enquiries, the Directors are comfortable that there is no restriction under the respective laws or regulations of those jurisdictions against extending the Scheme automatically or despatching this Scheme Document and/or the Letter to the Share Incentive Holders to those overseas Share Incentive Holders.

21. TAXATION ADVICE

As the Scheme does not involve the sale and purchase of Hong Kong stock, no Hong Kong stamp duty will be payable pursuant to the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong) on the cancellation of the Scheme Shares upon the Scheme becoming effective.

Scheme Shareholders and Share Incentive Holders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of the Proposal, the Scheme or the Share Incentive Proposal. It is emphasised that none of the Company, the Controlling Shareholders, Deutsche Bank, Fosun International Capital, the Independent Financial Adviser and their respective ultimate beneficial owners, directors, officers, employees, agents, affiliates, advisers and associates and any other person involved in the Proposal, the Scheme or the Share Incentive Proposal accepts any responsibility for any taxation effects on, or liabilities of, any person as a result of the Proposal, the Scheme or the Share Incentive Proposal.

22. RECOMMENDATION

Your attention is drawn to the recommendations of the Independent Financial Adviser in respect of the Proposal, the Scheme and the Share Incentive Proposal as set out in Part V of this Scheme Document. We would advise you to read this letter carefully before you take any action in respect of the Proposal, the Scheme and the Share Incentive Proposal.

23. ADDITIONAL INFORMATION

Additional information in relation to the Proposal and the Share Incentive Proposal is set out in the appendices to, and elsewhere in, this Scheme Document, all of which form part of this Explanatory Memorandum.

Shareholders and Scheme Shareholders should rely only on the information contained in this Scheme Document. None of the Company, Deutsche Bank, Fosun International Capital, the Independent Financial Adviser and their respective directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal and the Share Incentive Proposal have authorised anyone to provide you with information that is different from what is contained in this Scheme Document.

24. LANGUAGE

In case of inconsistency, the English language text of this Scheme Document and the accompanying forms of proxy shall prevail over the Chinese language text.

1. FINANCIAL SUMMARY

The following is a summary of the unaudited consolidated financial results of the Group for the six months ended 30 June 2023 and 30 June 2024 respectively and the audited consolidated financial results of the Group for each of the three years ended 31 December 2021, 2022 and 2023. The figures for the six months ended 30 June 2023 and 30 June 2024 respectively are extracted from the interim reports of the Company and the figures for each of the three years ended 31 December 2021, 2022 and 2023 are extracted from the annual reports of the Company.

The auditor's reports from the Company's auditors, Ernst & Young, in respect of the Group for each of the financial years ended 31 December 2021, 2022 and 2023 did not contain any modified opinion, emphasis of matter or material uncertainty related to going concern.

Save as disclosed below, there were no items of any income or expense which were material in respect of the consolidated financial results of the Group for the six months ended 30 June 2023 and 30 June 2024 respectively and each of the three years ended 31 December 2021, 2022 and 2023.

Summary of Consolidated Statement of Profit or Loss and Other Comprehensive Income

	For the year ended 31 December 2021 <i>(Audited)</i> RMB'000	For the year ended 31 December 2022 <i>(Audited)</i> RMB'000	For the year ended 31 December 2023 <i>(Audited)</i> RMB'000	For the six months ended 30 June 2023 <i>(Unaudited)</i> RMB'000	For the six months ended 30 June 2024 <i>(Unaudited)</i> RMB'000
Revenue	9,261,473	13,777,710	17,151,841	8,898,817	9,414,566
Cost of revenue	(6,694,512)	(9,787,360)	(11,556,647)	(5,822,195)	(6,208,065)
Gross profit	2,566,961	3,990,350	5,595,194	3,076,622	3,206,501
Other income and gains/(expenses), net	(952,968)	103,659	324,347	384,472	121,443
Selling and marketing expenses	(1,454,853)	(2,005,914)	(2,348,205)	(1,201,982)	(1,316,740)
General and administrative expenses	(1,603,422)	(1,494,592)	(1,764,533)	(906,697)	(974,724)
Operating income/(loss)	(1,444,282)	593,503	1,806,803	1,352,415	1,036,480
Finance costs	(960,442)	(995,591)	(1,305,483)	(660,282)	(646,433)
Share of losses of associates	(1,341)	(1,062)	(12,145)	(13,583)	(2,231)
Profit/(Loss) before income tax	(2,406,065)	(403,150)	489,175	678,550	387,816
Income tax expense	(381,389)	(128,641)	(143,165)	(188,218)	(70,662)
Profit/(Loss) for the period	(2,787,454)	(531,791)	346,010	490,332	317,154
Attributable to:					
Equity holders of the Company	(2,718,643)	(544,900)	307,199	471,840	321,838
Non-controlling interests	(68,811)	13,109	38,811	18,492	(4,684)
Earnings/(Loss) per share attributable to ordinary equity holders of the Company:					
Basic — for profit/(loss) for the year (RMB)	(2.20)	(0.44)	0.25	0.38	0.26
Diluted — for profit/(loss) for the year (RMB)	(2.20)	(0.44)	0.25	0.38	0.26
Other comprehensive income/(loss)					
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:					
Effective portion of changes in fair value of hedging instruments arising during the period	15,753	95,917	(47,112)	(14,328)	3,450
Reclassification adjustments for (losses)/gains included in the consolidated statement of profit or loss	4,143	12,554	(23,387)	(22,878)	4,235
Exchange differences on translation of foreign operations	286,653	277,290	(92,911)	62,424	(83,465)
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods	306,549	385,761	(163,410)	25,218	(75,780)
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:					
Actuarial reserve relating to employee benefits	724	49,466	(15,653)	(2,321)	5,044
Equity investments designated at fair value through other comprehensive income/(loss):					
Changes in fair value	(8,874)	4,917	5,736	5,636	1,507

	For the year ended 31 December 2021 <i>(Audited)</i> <i>RMB'000</i>	For the year ended 31 December 2022 <i>(Audited)</i> <i>RMB'000</i>	For the year ended 31 December 2023 <i>(Audited)</i> <i>RMB'000</i>	For the six months ended 30 June 2023 <i>(Unaudited)</i> <i>RMB'000</i>	For the six months ended 30 June 2024 <i>(Unaudited)</i> <i>RMB'000</i>
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	(8,150)	54,383	(9,917)	3,315	6,551
Other comprehensive income/(loss) for the year, net of tax	298,399	440,144	(173,327)	28,533	(69,229)
Total comprehensive income/(loss) for the period	(2,489,055)	(91,647)	172,683	518,865	247,925
Attributable to:					
Equity holders of the Company	(2,406,422)	(129,614)	122,743	486,004	264,164
Non-controlling interests	(82,633)	37,967	49,940	32,861	(16,239)

2. CONSOLIDATED FINANCIAL STATEMENTS

The Company is required to set out or refer to in this Scheme Document the consolidated statement of financial position, statement of cash flows and any other primary statement as shown in the audited consolidated financial statements of the Group for the year ended 31 December 2023, together with the significant accounting policies and any points from the notes to the relevant published financial statements which are of major relevance to the appreciation of the above financial information.

The unaudited consolidated financial statements of the Group for the six months ended 30 June 2024 are set out on pages 51 to 60 of the interim report of the Company for the six months ended 30 June 2024, which was published on 25 September 2024 and which is posted on the website of the Company at <https://www.fosunholiday.com/article/gsbg/> and the Stock Exchange at www.hkexnews.hk, or at this direct link: <https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0925/2024092501815.pdf>.

The audited consolidated financial statements of the Group for the year ended 31 December 2023 are set out on pages 117 to 126 of the annual report of the Company for the year ended 31 December 2023, which was published on 18 April 2024 and which is posted on the website of the Company at <https://www.fosunholiday.com/article/gsbg/> and the Stock Exchange at www.hkexnews.hk, or at this direct link: <https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0418/2024041801049.pdf>.

The unaudited consolidated financial statements of the Group for the six months ended 30 June 2023 are set out on pages 52 to 61 of the interim report of the Company for the six months ended 30 June 2023, which was published on 14 September 2023 and which is posted on the website of the Company at <https://www.fosunholiday.com/article/gsbg/> and the Stock Exchange at www.hkexnews.hk, or at this direct link: <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0914/2023091400329.pdf>.

The audited consolidated financial statements of the Group for the year ended 31 December 2022 are set out on pages 122 to 131 of the annual report of the Company for the year ended 31 December 2022, which was published on 24 April 2023, and which is posted on the website of the Company at <https://www.fosunholiday.com/article/gsbg/> and the Stock Exchange at www.hkexnews.hk, or at this direct link: <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0424/2023042400727.pdf>.

The audited consolidated financial statements of the Group for the year ended 31 December 2021 are set out on pages 109 to 118 of the annual report of the Company for the year ended 31 December 2021, which was published on 21 April 2022, and which is posted on the website of the Company at <https://www.fosunholiday.com/article/gsbg/> and the Stock Exchange at www.hkexnews.hk, or at this direct link: <https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0421/2022042101126.pdf>.

The unaudited consolidated financial statements of the Group for the six months ended 30 June 2024 and the audited consolidated financial statements of the Group for each of the three financial years ended 31 December 2021, 2022 and 2023 are incorporated by reference into this Scheme Document and form part of this Scheme Document.

3. STATEMENT OF INDEBTEDNESS

As at the close of business on 30 November 2024, being the most recent practicable date prior to the printing of this Scheme Document for the purpose of ascertaining information contained in this indebtedness statement, the Group had the following liabilities:

Interest-bearing bank and other borrowings:

	<i>Notes</i>	As at 30 November 2024 RMB'000
Interest-bearing bank borrowings		
Secured	(i)	3,532,098
Unsecured		3,208,243
Other borrowings		
Commercial mortgage backed security	(ii)	6,230,855
Lease liabilities	(iii)	<u>11,608,316</u>
		<u><u>24,579,512</u></u>

Notes:

- (i) The Group's bank loans are secured by the pledges of the Group's assets, including right-of-use assets, properties under developments, property, plant and equipment, completed properties for sales and pledged deposits as at 30 November 2024.
- (ii) In March 2020, the Group issued asset-backed securities which were backed by the Atlantis Sanya hotel and water park as mortgages with a coupon rate of 5%, and the 100% equity interest in Hainan Atlantis and operating revenue of Atlantis Sanya as a pledge. The principal and interest of the prioritised level shall be repaid semi-annually in 48 instalments in 24 years. The coupon rates of the securities of the prioritised level are subject to adjustments by the Group and the holders have the rights, at their option, to require the Group to redeem at an interval of every three years within the terms of the securities. The fund raised by the Group from the third-party investors was recorded as other borrowings as at 30 November 2024.

Other borrowings were pledged with right-of-use assets and property, plant and equipment as at 30 November 2024.

- (iii) As at 30 November 2024, the Group had outstanding lease liabilities of approximately RMB11,608,316,000, and the lease liabilities represent the present value of outstanding lease payments under the lease agreements.

Contingent liabilities or guarantees

The contingent liabilities or guarantees as at 30 November 2024 were as follows:

	<i>Note</i>	As at 30 November 2024 RMB'000
Guarantees given related to		
qualified buyers' mortgage loans	(i)	36,036
interest-bearing loans of a related company		<u>4,101</u>
		<u><u>40,137</u></u>

Notes:

- (i) The Group provided guarantees in favour of their customers in respect of mortgage loans provided by banks to these customers for their purchases of the Group's developed properties where the underlying real estate certificates can only be provided to the banks in a time delayed manner due to administrative procedures in the People's Republic of China. These guarantees provided by the Group will be released when the customers pledge their real estate certificates as security to the banks for the mortgage loans granted by the banks.

The directors consider that in case of default in payments, the net realisable value of the related properties can cover the outstanding principal together with the accrued interest and penalties and therefore no provision has been made for the guarantees.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables in the ordinary course of business, at the close of business on 30 November 2024, the Group did not have any outstanding mortgages, charges, debentures, bank loans and overdrafts, debt securities or loan notes or other similar indebtedness, loan capital issued or outstanding or agreed to be issued, finance leases, liabilities under acceptance or acceptance credits or any finance lease commitments, or any guarantees or other material contingent liabilities.

4. PROPERTY INTERESTS AND ADJUSTED NET ASSET VALUE

The valuation of property interests of the Group as at 30 November 2024 have been conducted by independent professional valuers appointed by the Group. The total market value of the aforesaid property interests attributable to the Group as at 30 November 2024 was approximately RMB25,360 million. Further details of the aforesaid property interests and their corresponding valuation reports prepared by independent professional valuers can be found in APPENDIX IV to this Scheme Document.

By taking into account the effect of revaluation surplus arising from the valuation of all the aforesaid properties interests, set out below is the calculation of the Adjusted NAV of the Group:

	<i>Notes</i>	<i>RMB'000</i>
The unaudited net asset value attributable to the Group as at 30 June 2024		2,578,851
<i>Adjustments:</i>		
— Revaluation surplus arising from the valuation of the property interests attributable to the Group as at 30 November 2024	(i)	13,123,875
— Estimated deferred tax on revaluation surplus attributable to the Group	(ii)	(3,277,388)
Adjusted NAV		12,425,338
Adjusted NAV per Share (RMB)	(iii)	9.99
Adjusted NAV per Share (HK\$)	(iv)	10.74
Cancellation Price (HK\$)		7.80
Discount of the Cancellation Price to the Adjusted NAV per Share		27.41%

Notes:

- (i) Represents the net revaluation surplus arising from the net excess of the market values of the property interests attributable to the Group as at 30 November 2024, over their corresponding book values attributable to the Group as at 30 June 2024. The market values and book values of overseas property interests were translated to RMB at the exchange rates extracted from Bloomberg as at 30 November 2024.
- (ii) Represents estimated deferred tax on the temporary differences between the market values of the property interests and the corresponding tax base used in computation of taxable profit. Estimated deferred tax is calculated based on the corporate income tax rates applicable to properties in different countries or regions. No PRC land appreciation tax was estimated.
- (iii) Based on 1,244,768,113 Shares in issue as at the Latest Practicable Date.
- (iv) Based on an exchange rate of HK\$1: RMB0.9294 extracted from Bloomberg as at 30 June 2024.

5. MATERIAL CHANGE

The Directors confirm that as at the Latest Practicable Date, other than as disclosed in the Profit Warning Announcement, there had been no material change in the financial or trading position or outlook of the Group since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Company were made up. Your attention is also drawn to the reports of Ernst & Young and Deutsche Bank on the Profit Estimate as set out in APPENDIX V and APPENDIX VI of this Scheme Document.

1. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

For illustrative purposes, the financial information prepared in accordance with Rule 4.29 of the Listing Rules is set out here to provide further information on how the financial information of the Group may be affected by the assumption of the completion of the Proposal and the Share Incentive Proposal as if the Proposal and the Share Incentive Proposal had been completed as at 30 June 2024 or 1 January 2024 or any future date.

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 consolidated net assets attributable to the equity holders of the Company as at 30 June 2024 (Note 1) RMB'000	Pro forma adjustments			Unaudited pro forma adjusted consolidated net assets attributable to the equity holders of the Company as at 30 June 2024 RMB'000
		#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	<u>2,644,529</u>	<u>(25,374)</u>	<u>(1,819,604)</u>	<u>(17,638)</u>	<u>781,913</u>
Net assets attributable to the equity holders of the Company	<u>2,578,851</u>	<u>(25,374)</u>	<u>(1,819,604)</u>	<u>(17,638)</u>	<u>716,235</u>
Net assets per share attributable to the equity holders of the Company (RMB)	<u>2.07</u>				<u>0.73</u>
	(Note 5)				(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 <i>(Note 1)</i> <i>RMB'000</i>	Pro forma adjustments <i>(Note 8)</i> <i>RMB'000</i>	Unaudited pro forma adjusted profits attributable to the equity holders of the Company for the six months ended 30 June 2024 <i>RMB'000</i>
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>		<u>0.25</u>
	<i>(Note 9)</i>		<i>(Note 10)</i>

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 pro forma 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.

2. REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The following is the text of a report on the unaudited pro forma financial information of the Group received from Ernst & Young, the auditors of the Company, for the purpose of incorporation in this Scheme Document.



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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 incentives 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,

Certified Public Accountants
Hong Kong

10 February 2025

1. RESPONSIBILITY STATEMENT

As at the Latest Practicable Date, the Board comprised three executive Directors, namely Mr. Xu Xiaoliang, Mr. Xu Bingbin, and Mr. Choi Yin On, two non-executive Directors, namely Mr. Pan Donghui and Mr. Huang Zhen, and four independent non-executive Directors, namely, Dr. Allan Zeman, Mr. Guo Yongqing, Ms. Katherine Rong Xin, and Mr. He Jianmin. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Scheme Document and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Scheme Document have been arrived at after due and careful consideration and there are no other facts not contained in this Scheme Document, the omission of which would make any statement in this Scheme Document misleading.

2. SHARE CAPITAL OF THE COMPANY

As at the Latest Practicable Date:

- (a) the authorised share capital of the Company was EUR1,000,000 divided into 10,000,000,000 Shares;
- (b) the issued share capital of the Company was 1,244,768,113 Shares;
- (c) all Shares in issue were fully paid or credited as fully paid and rank *pari passu* in all respects with each other, including, as to rights to dividends, voting and capital;
- (d) 498,011 Shares had been issued by the Company since 31 December 2024, being the end of the last financial year of the Company, up to and including the Latest Practicable Date;
- (e) the Share Incentive Holders in aggregate held 56,879,819 outstanding Share Incentives, comprising 25,169,374 Pre-IPO Share Options, 13,402,000 2019 Share Options, 2,898,945 2019 Share Units, 9,606,500 2024 Share Options and 5,803,000 2024 Share Units; and
- (f) save for the 1,244,768,113 Shares in issue and the Share Incentives referred to in paragraph (e) above, the Company did not have any outstanding shares, options, warrants, convertible securities or other relevant securities in issue.

There had been no re-organisation of capital of the Company during the two financial years immediately preceding the commencement of the offer period.

During the 12-month period immediately preceding the date of this Scheme Document, the Company did not buy-back any Shares.

During the two years before the commencement of the offer period, the Company has issued Shares that are subject to the Proposal as set out below:

Date of issuance	Number of Shares	Issue price per share (HK\$)	Aggregate proceeds (HK\$)
14 December 2022	80,000	8.43	674,400
28 December 2022	187,500	8.37	1,569,375
28 December 2022	87,250	9.37	817,532.5
28 December 2022	189,000	8.43	1,593,270
5 January 2023	87,200	8.43	735,096
9 January 2023	40,000	8.43	337,200
9 January 2023	16,500	9.37	154,605
9 January 2023	21,000	8.37	175,770
20 January 2023	30,000	8.37	251,100
20 January 2023	30,000	8.43	252,900
20 January 2023	21,000	9.37	196,770
30 March 2023	20,000	8.43	168,600
31 March 2023	15,000	8.37	125,550
11 April 2023	20,000	8.43	168,600
11 April 2023	15,000	8.37	125,550
28 April 2023	38,000	8.43	320,340
28 April 2023	35,000	8.37	292,950
2 May 2023	22,000	8.43	185,460
8 August 2023	522,719	0	0
24 October 2023	358,858	0	0
22 February 2024	584,400	0	0
7 June 2024	319,230	0	0
17 July 2024	149,600	0	0
23 October 2024	424,902	0	0

During the two-year period immediately preceding the date of this Scheme Document, the Company had not paid or declared any dividend. As at the Latest Practicable Date, the Directors do not have any plan or intention to declare any dividend or to alter the dividend policy of the Company.

3. MARKET PRICES

The table below shows the closing prices of the Shares as quoted on the Stock Exchange (i) on the last Trading Date of each of the calendar months during the Relevant Period; (ii) on the Last Trading Date; and (iii) on the Latest Practicable Date.

Date	Closing price per Share HK\$
28 June 2024	3.62
31 July 2024	3.78
30 August 2024	3.53
30 September 2024	4.55
31 October 2024	3.61
26 November 2024	4.00
29 November 2024	4.00
31 December 2024	7.42
28 January 2025	7.39
7 February 2025	7.44

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$7.44 on 7 February 2025, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$3.13 on 16 September 2024.

4. DISCLOSURE OF INTERESTS

4.1 Directors' interests and short positions in the Shares and shares in the Company's associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or shares and debentures of any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were deemed to have under such provisions of the SFO); or recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, or required to be disclosed under the Takeovers Code were as follows:

Interest in the Shares

Name of Director or chief executive	Capacity	Number of Shares	Approximate percentage of the total issued Shares
Directors			
Xu Xiaoliang	Beneficial owner	4,302,328	0.35%
Xu Bingbin	Beneficial owner	4,792,625	0.39%
Choi Yin On	Beneficial owner	1,840,000	0.15%
Pan Donghui	Beneficial owner	865,000	0.07%
Huang Zhen	Beneficial owner	683,000	0.05%
Chief Executive			
Bao Jiangjun	Beneficial owner	1,725,000	0.14%

10,709,025 of the 56,879,819 outstanding Share Incentives are held by the following Directors:

Directors	Number of Vested Pre-IPO Share Options	Number of Unvested 2019 Share Options	Number of Vested 2019 Share Options	Number of Unvested 2019 Share Units	Number of Unvested 2024 Share Options	Number of Unvested 2024 Share Units	Total number of outstanding Share Incentives	Approximate % of total issued Shares ⁽¹⁾
Xu Xiaoliang (Chairman of the Board of the Group, Executive Director and Chairman of Club Med Holding)	—	627,500	702,500	210,800	1,500,000	750,000	3,790,800	0.30%
Xu Bingbin (Executive Director, Co-President of the Group and Global Deputy CEO of Club Med and CEO of Club Med China)	1,517,625	460,000	820,000	125,800	750,000	375,000	4,048,425	0.33%
Choi Yin On (Executive Director, Senior Vice President and Chief Financial Officer, Chief Financial Officer of Club Med)	—	280,000	430,000	74,800	540,000	270,000	1,594,800	0.13%
Pan Donghui (Non-executive Director)	—	127,500	162,500	51,000	225,000	150,000	716,000	0.06%
Huang Zhen (Non-executive Director)	—	75,000	75,000	34,000	225,000	150,000	559,000	0.04%
Total	1,517,625	1,570,000	2,190,000	496,400	3,240,000	1,695,000	10,709,025	0.86%

Interest in associated corporation

Name of Director or chief executive	Name of associated corporation	Capacity	Number of Shares	Approximate percentage of the total issued Shares
Directors				
Xu Xiaoliang	Fosun International	Beneficial owner	32,776,000	0.40% ⁽¹⁾
	Yuyuan	Beneficial owner	282,320	0.01% ⁽²⁾
Xu Bingbin	Fosun International	Beneficial owner	418,663	0.01% ⁽¹⁾
Pan Donghui	Fosun International	Beneficial owner	17,314,484	0.21% ⁽¹⁾
Huang Zhen	Fosun International	Beneficial owner	6,598,200	0.08% ⁽¹⁾
	Fosun Pharma	Beneficial owner	45,500	0.00% ⁽²⁾
	Yuyuan	Beneficial owner	1,013,600	0.03% ⁽²⁾
Chief Executive				
Bao Jiangjun	Fosun International	Beneficial owner	200,000	0.00% ⁽¹⁾

Note:

- The calculation is based on the total number of 8,182,302,624 shares of Fosun International in issue as of the Latest Practicable Date.

2. The class of shares held by Huang Zhen in Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (“Fosun Pharma”) and Shanghai Yuyuan Tourist Mart (Group) Co., Ltd (“Yuyuan”) are both A shares (A shares refer to the equity securities listed on the Shanghai Stock Exchange).

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had or was deemed to have any interests and short positions in the Shares, underlying Shares and debentures of the Company or shares and debentures of any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were deemed to have under such provisions of the SFO); or recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, or required to be disclosed under the Takeovers Code.

Save as disclosed above, as at the Latest Practicable Date, none of the persons acting in concert with the Directors or the chief executive of the Company had an interest in the Shares or debentures of the Company.

4.2 Interests of Substantial Shareholders in the Shares

As at the Latest Practicable Date, the Company had been notified of the following substantial shareholders’ interests and short positions in the Shares and underlying Shares of the Company, which have been recorded in the register of substantial shareholders required to be kept by the Company pursuant to section 336 of Part XV of the SFO. These interests are in addition to those disclosed above in respect of the Directors and the chief executive of the Company.

Name of Substantial Shareholder	Nature of interests	Number of Shares held	Approximate percentage of the total issued share capital of the Company
Fosun International ⁽¹⁾	Beneficial owner	971,949,202	78.08%
FHL ⁽²⁾	Beneficial owner	15,389,930	1.24%
	Interest in controlled corporation	971,949,202	78.08%
FIHL	Interest in controlled corporation	987,339,132	79.32%
Guo Guangchang ⁽³⁾	Interest in controlled corporation	987,339,132	79.32%

Note:

1. FHL holds approximately 72.76% equity interest in Fosun International, and is therefore deemed to be interested in the Shares directly held by Fosun International.
2. FIHL holds 100% equity interest in FHL, and is therefore deemed to be interested in the Shares which FHL is deemed to be interested in.
3. Guo Guangchang holds 85.29% equity interest in FIHL, and is therefore deemed to be interested in the Shares which FIHL is deemed to be interested in.

The following substantial shareholders are considered substantial shareholders as they hold Shares as security:

Name of Substantial Shareholder	Nature of interests	Number of Shares held	Approximate percentage of the total issued share capital of the Company
Cho Jung-ho ⁽⁴⁾	Interest in controlled corporation	81,542,487	6.55%
Meritz Financial Group Inc. ⁽⁴⁾	Interest in controlled corporation	81,542,487	6.55%
Meritz Securities Co., Ltd. ⁽⁴⁾	Beneficial owner	81,542,487	6.55%
China Huarong International Holdings Ltd ⁽⁵⁾	Interest in controlled corporation	108,000,000	8.68%

4. On 20 October 2022, Meritz Securities Co., Ltd. acquired a security interest in 81,542,487 Shares which, as of the Latest Practicable Date, are held by Fosun International and are not Scheme Shares. Meritz Securities Co., Ltd. is a company incorporated in South Korea.

Meritz Financial Group Inc., its controlling shareholder, owns 49.77% of its equity interest. Meritz Financial Group Inc. is a company incorporated in South Korea and listed on the Korea Exchange. Mr. Cho Jung-ho holds 6.57% equity interest in Meritz Securities Co., Ltd., and is therefore deemed to be interested in the Shares which Meritz Securities Co., Ltd. is interested in.

5. On 26 June 2023, China Huarong International Holdings Ltd acquired a security interest in 108,000,000 Shares which, as of the Latest Practicable Date, are held by Fosun International and are not Scheme Shares.

Save as disclosed above, according to the register kept by the Company under Section 336 of the SFO, there was no other person who had a substantial interest or short positions in the Shares or underlying Shares of the Company as at the Latest Practicable Date.

4.3 Interests of the Company and Company Concert Parties in the Shares

Save as disclosed below, as at the Latest Practicable Date, none of the Company and the Company Concert Parties was interested within the meaning of Part XV of the SFO in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares:

Shareholders	As at the Latest Practicable Date	
	Number of Shares	Total number of Shares in issue (%) ⁽⁷⁾
(A) Controlling Shareholders⁽¹⁾		
Fosun International	971,949,202	78.08
FHL	15,389,930	1.24
Sub-total	987,339,132	79.32
(B) Directors of the Company (subject to the Scheme)⁽²⁾		
Xu Xiaoliang ⁽³⁾	511,528	0.04
Xu Bingbin ⁽³⁾	444,200	0.04
Choi Yin On ⁽³⁾	245,200	0.02
Pan Donghui ⁽³⁾	149,000	0.01
Huang Zhen ⁽³⁾	124,000	0.01
Sub-total	1,473,928	0.12
(C) FIL Directors (subject to the Scheme)⁽⁴⁾		
Chen Qiyu	501,478	0.04
Gong Ping	200,988	0.02
Sub-total	702,466	0.06
(D) Share Award Trustee (subject to the Scheme)⁽⁶⁾		
	15,000	0.0012
(E) Company Concert Parties (A) + (B) + (C) + (D)⁽⁵⁾		
	989,530,526	79.50

Notes:

- Fosun International is a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 0656). Fosun International is owned as to approximately 72.76% by FHL, which is a company incorporated in the Hong Kong with limited liability. FHL is in turn wholly-owned by FIHL, which is a company incorporated in the British Virgin Islands with limited liability, the equity interest of which is held as to 85.29% by Guo Guangchang. Shares in which Fosun International and FHL are interested will not form part of the Scheme Shares and will not be cancelled.
- Xu Xiaoliang, Xu Bingbin and Choi Yin On are the executive Directors of the Company, and Pan Donghui and Huang Zhen are the non-executive Directors of the Company.

3. The number of Shares in which each of the Directors of the Company is interested does not include any Share Incentives. Please refer to the section headed “8. Shareholding Structure of the Company” above for details of the Share Incentives held by the Directors as at the Latest Practicable Date.
4. Chen Qiyu and Gong Ping are executive directors of Fosun International.
5. Deutsche Bank is the lead financial adviser to the Company in connection with the Proposal and the Share Incentive Proposal. Accordingly, Deutsche Bank and the relevant members of the Deutsche Bank group which hold Shares on an own account basis or manage Shares on a discretionary basis are presumed to be acting in concert with the Company in relation to the Company in accordance with class (5) of the definition of “acting in concert” under the Takeovers Code (except in respect of the Shares held by members of the Deutsche Bank group which are exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purposes of the Takeovers Code). Members of the Deutsche Bank group which are exempt principal traders and exempt fund managers which are connected for the sole reason that they control, are controlled by or are under the same control as Deutsche Bank are not presumed to be acting in concert with the Company.

As of the Latest Practicable Date, members of the Deutsche Bank group (other than exempt principal traders and exempt fund managers) do not legally or beneficially own, control, or have direction over any Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

Fosun International Capital is the joint financial adviser to the Company in connection with the Proposal and the Share Incentive Proposal. As of the Latest Practicable Date, Fosun International Capital does not legally or beneficially own, control, or have direction over any Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

6. As at the Latest Practicable Date, the Share Award Trustee holds 15,000 Shares (representing approximately 0.0012% of the issued share capital of the Company). Further details are set out in the section headed “4. Share Incentive Proposal” of the Announcement. As the Share Award Trustee is presumed to be acting in concert with the Company in relation to the Company in accordance with class (3) of the definition of “acting in concert” under the Takeovers Code, and pursuant to Rule 17.05A of the Listing Rules and the rules of the Pre-IPO Share Option Scheme, 2019 Share Option Scheme and 2019 Share Award Plan, the Share Award Trustee shall not exercise the voting rights attached to the Shares held by it. Accordingly, such 15,000 Shares are not Disinterested Shares and will not be voted on the Scheme at the Court Meeting nor at the EGM.
7. All percentages in the above table are approximations and rounded to the nearest 2 decimal places and the aggregate percentages may not add up due to rounding of the percentages to 2 decimal places.

4.4 Dealings in the securities of the Company

(a) During the Relevant Period:

- (i) save as disclosed below and save for the dealings in the Shares by any members of the Deutsche Bank group and Fosun International Capital which are conducted on a non-discretionary basis for and on behalf of their respective clients, none of the Company, its directors or the Company Concert Parties had dealt for value in any Shares, convertible securities, warrants, options and derivatives in respect of the Shares:

Name	Date of transactions	Type of transactions	On/off the Stock Exchange	No. of Shares involved	Transaction price per Share (HK\$)
Share Award Trustee	5 July 2024	Purchase	On-market	27,000	3.94
Share Award Trustee	8 July 2024	Purchase	On-market	214,400	3.97
Share Award Trustee	21 October 2024	Purchase	On-market	106,266	3.71
Share Award Trustee	28 January 2025	Purchase	On-market	47	7.40
Share Award Trustee	28 January 2025	Purchase	On-market	183,600	7.39
Share Award Trustee	3 February 2025	Purchase	On-market	116,600	7.39
Share Award Trustee	4 February 2025	Purchase	On-market	100,000	7.39
Share Award Trustee	4 February 2025	Purchase	On-market	236,200	7.40
Share Award Trustee	4 February 2025	Purchase	On-market	68,600	7.41

- (ii) none of the Directors had dealt for value in any Shares, warrants, options, derivatives and securities carrying conversion or subscription rights into Shares.

(b) During the offer period and up to the Latest Practicable Date:

- (i) no subsidiaries of the Company, pension funds (if any) of any member of the Group, any person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” or any associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code (excluding any exempt principal trader or exempt fund manager) owned or controlled, or had any dealings in any Shares, warrants, options, derivatives and securities carrying conversion or subscription rights into Shares;

- (ii) no arrangement of the kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code existed between the Company, or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) or (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code, and any other person;
- (iii) no person who had an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with (A) the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” or with any person who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code, or (B) the Company or the Company Concert Parties, owned or controlled, or had any dealings in, any Shares, warrants, options, derivatives and securities carrying conversion or subscription rights into Shares; and
- (iv) no fund managers connected with the Company who managed funds on a discretionary basis (other than exempt fund managers) had any dealings in any Shares, warrants, options, derivatives and securities carrying conversion or subscription rights into Shares.

4.5 Other interests

As at the Latest Practicable Date:

- (a) no Shares or any convertible securities, warrants, options or derivatives issued by the Company were owned or controlled by a subsidiary of the Company, a pension fund (if any) of any member of the Group, a person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert”, or an associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code (other than exempt principal traders and exempt fund managers);
- (b) no Shares, convertible securities, warrants, options or derivatives of the Company were managed on a discretionary basis by any fund managers connected with the Company (other than exempt fund managers); and
- (c) none of the Company, the Directors or any of the Company Concert Parties had borrowed or lent any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company.

5. ARRANGEMENTS IN CONNECTION WITH THE PROPOSAL

As at the Latest Practicable Date:

- (a) save for the Proposal and the Share Incentive Proposal there were no arrangements (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares between the Company or any of the Company Concert Parties and any other person which might be material to the Proposal;
- (b) there was no agreement, arrangement or understanding between the Company and any other person in relation to the transfer, charge or pledge of the Shares to be acquired pursuant to the Proposal, and the Company had no intention to transfer, charge or pledge any Shares acquired pursuant to the Proposal to any other person;
- (c) there was no agreement, arrangement or understanding (including any compensation arrangement) between the Company or the Company Concert Parties on the one hand, and any Directors, recent Directors, Shareholders or recent Shareholders on the other hand, having any connection with or that was dependent upon the Proposal;
- (d) there was no agreement or arrangement to which the Company or any Company Concert Party is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a Condition to the Proposal, the Scheme or the Share Incentive Proposal;
- (e) no irrevocable commitment or intention to vote for or against the Scheme, or to accept or not accept the Share Incentive Proposal, had been received by the Directors, the Company or the Company Concert Parties;
- (f) save for the Controlling Shareholders Rollover Arrangement, there was no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (i) any Shareholder; and (ii) either (a) the Company or the Company Concert Parties; or (b) the Company's subsidiaries or associated companies;
- (g) save for the Cancellation Price and the consideration to be provided pursuant to the Share Incentive Proposal, there was no other consideration, compensation or benefit in whatever form paid or to be paid by the Company or any of the Company Concert Parties to the Scheme Shareholders or Share Incentive Holders in connection with the Proposal, the Scheme or the Share Incentive Proposal.

6. MATERIAL LITIGATION

As at the Latest Practicable Date, so far as is known to the Board, the Group was involved in the following material litigation, claim or contingent liability:

- (a) Club Med SAS (“**CM SAS**”), an indirect wholly-owned subsidiary of the Company, was involved in a litigation. The claimant, Carducci Svilulppo Srl (“**Carducci**”) had entered into a contract with CM SAS for the purchase of a property complex, where certain buildings in the property complex subsequently became the subject of a demolition order. Carducci subsequently claimed from CM SAS for price reduction and damages. The Florence Court of Appeal ruled in favour of Carducci on 26 November 2000 and ordered CM SAS to pay to Carducci an amount of €1,129,009, which was paid by CM SAS to Carducci. On 12 April 2021, Carducci appealed to the Supreme Court of Italy to claim for a higher provisional amount of approximately €22 million plus financial charges and procedural costs. No date has been fixed for the issuance of the decision by the Supreme Court of Italy.
- (b) Hainan Atlantis Commerce and Tourism Development Co., Ltd. (海南亞特蘭蒂斯商旅發展有限公司) (“**Hainan Atlantis**”) was involved in a litigation. The claimant, Shanghai Zhongshi Construction Consulting Co., Ltd (上海中世建設諮詢有限公司) (“**Shanghai Zhongshi**”) claimed at the Shanghai Huangpu District People’s Court in respect of construction valuation services provided by Shanghai Zhongshi to Hainan Atlantis in an amount of approximately RMB14.5 million (representing the bonus claimed by Shanghai Zhongshi for its services), which is disputed by Hainan Atlantis. The first trial hearing took place on 16 December 2024.
- (c) Yuexue (Taicang) Tourism and Culture Development Co., Ltd. (悅雪(太倉)旅遊文化開發有限公司) (“**Yuexue Tourism**”), an indirect wholly-owned subsidiary of the Company, was the claimant in a litigation against multiple defendants including Shanghai Liangling M&E Equipment Co., Ltd (上海良菱機電設備成套有限公司), China Haisum Engineering Co., Ltd. (中國海誠工程科技股份有限公司), Shanghai Mechanical Technology Consulting Management Co., Ltd* (上海機電技術諮詢管理有限公司), Tongfang Co., Ltd (同方股份有限公司) and Liu Dongsheng (劉東昇) (the “**Defendants**”). Yuexue Tourism claimed an amount of approximately RMB116.7 million at the Intermediate People’s Court of Suzhou Municipality against the Defendants for losses incurred in relation to faulty snow production. The claim has been filed and the trial date is to be scheduled.

Save as disclosed above, as at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or claims which would materially or adversely affect the operations of the Company and no litigation or claim which would materially or adversely affect the operations of the Company was known to the Directors to be pending or threatened by or against any member of the Group.

* For identification purposes only.

7. MATERIAL CONTRACTS

Save as set out below, none of the members of the Group had entered into any material contracts, not being contracts entered into in the ordinary course of business carried on or intended to be carried on by any member of the Group, within the two years immediately preceding the date of the Announcement and up to and including the Latest Practicable Date.

- (a) On 4 September 2024, Fosun Tourism and Culture Group (HK) Company Limited, a wholly owned subsidiary of the Company (“**FTG HK**”) entered into a sale and purchase agreement with ESK Y.PL S.A., a Polish company engaging in air ticket booking and travel related business (“**ESY**”), pursuant to which FTG HK shall sell 100% equity interest in Thomas Cook Tourism (UK) Company Limited to ESK (the “**Thomas Cook SPA**”). The maximum aggregate consideration under the Thomas Cook SPA is £30,000,000.
- (b) On 29 September 2024, each of Yuehao (Taicang) Tourism and Cultural Development Co., Ltd. (“**Yuehao**”) and Yueou (Taicang) Tourism and Culture Development Co., Ltd. (“**Yueou**”), both of which are wholly owned subsidiaries of the Company, entered into agreements with Taicang Hengzhu Real Estate Co., Ltd. and Taicang Hengze Cultural Tourism Development Co., Ltd. (together the “**Purchasers**”), pursuant to which Yuehao and Yueou agreed to sell certain properties to the Purchasers (the “**Property Disposal Agreements**”). The total consideration under the Property Disposal Agreements is approximately RMB393.64 million.

8. ARRANGEMENTS IN CONNECTION WITH THE DIRECTORS

As at the Latest Practicable Date:

- (a) other than the Cancellation Price and the consideration to be provided pursuant to the Share Incentive Proposal, no arrangement was in place for any benefit (other than statutory compensation required under appropriate laws) that would be given to any Director as compensation for loss of office or otherwise in connection with the Proposal or the Share Incentive Proposal;
- (b) there was no agreement, arrangement or understanding (including any compensation arrangement) between any Director and any other person which are conditional on or dependent upon the outcome of the Proposal or the Share Incentive Proposal or otherwise connected with the Proposal or the Share Incentive Proposal; and
- (c) there were no material contracts entered into by the Company in which any Director has a material personal interest.

9. DIRECTORS' SERVICE CONTRACTS

Save as disclosed below, as at the Latest Practicable Date, none of the Directors had entered into any service contract with the Company or any of its subsidiaries or associated companies which (i) (including both continuous and fixed term contracts) had been entered into or amended within six months before the commencement of the offer period; (ii) are continuous contracts with a notice period of 12 months or more; or (iii) are fixed term contracts with more than 12 months to run irrespective of the notice period. For the contracts (including both continuous and fixed term contracts) entered into or amended within six months before the commencement of the offer period (i.e., the service contracts dated 22 August 2024 between the Company and Choi Yin On and Pan Donghui respectively), the renewed contracts have substantially the same terms with the expired contracts.

Name of Director	Company name	Expiry date	Fixed remuneration payable under the contract	Variable remuneration payable under the contract
Xu Bingbin	Fosun Tourism Group	15 March 2027	nil	Participation in the share incentive scheme of the Company
Xu Xiaoliang	Fosun International Limited	28 March 2027	nil	Bonus and participation in the share incentive scheme of Fosun International
Pan Donghui	Fosun International Limited	28 March 2027	nil	Bonus and participation in the share incentive scheme of Fosun International
Huang Zhen	Fosun International Limited	28 March 2027	nil	Bonus and participation in the share incentive scheme of Fosun International
Choi Yin On	Fosun Tourism Group	22 August 2027	nil	Participation in the share incentive scheme of the Company
Pan Donghui	Fosun Tourism Group	22 August 2027	nil	Participation in the share incentive scheme of the Company
Allan Zeman	Fosun Tourism Group	14 December 2027	600,000 HKD per year	nil
Guo Yongqing	Fosun Tourism Group	14 December 2027	600,000 HKD per year	nil
Katherine Rong Xin	Fosun Tourism Group	14 December 2027	600,000 HKD per year	nil

10. CONSENTS AND QUALIFICATIONS OF EXPERTS

The following are the qualifications of each of the experts who have been named in this Scheme Document or have given their opinion or advice which are contained in this Scheme Document:

Name	Qualification
Deutsche Bank	a registered institution under the SFO to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the lead financial adviser to the Company in respect of the Proposal
Altus Capital Limited	a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the independent financial adviser to advise the Disinterested Shareholders and the Share Incentive Holders
Cushman & Wakefield Limited	an independent professional property valuer
Shenzhen WorldUnion Asset Appraisal Co., Ltd	an independent professional property valuer
Grupo Nacional de Avaluos y Servicios S.A. de C.V.	an independent professional property valuer
PPC International SDN BHD	an independent professional property valuer
KJPP Wiseso dan Rekan	an independent professional property valuer
Ernst and Young	Certified Public Accountants

Each of the experts named above has given and has not withdrawn its written consent to the issue of this Scheme Document with the inclusion in this Scheme Document of the text of its letter, report or opinion (as the case may be) and references to its name in the form and context in which they are included.

Fosun International Capital has given and has not withdrawn its written consent to the issue of this Scheme Document with the references to its name in the form and context in which they respectively appear.

11. MISCELLANEOUS

- (a) The Company is a company incorporated in the Cayman Islands with limited liability and listed on the Hong Kong Stock Exchange (Stock Code: 1992).
- (b) The principal members of the Company Concert Parties are Fosun International, FHL and FIHL.
- (c) The registered office of the Company is at Harneys Fiduciary (Cayman) Limited, 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands.
- (d) The principal place of business in Hong Kong of the Company is Rooms 808 & 2101-06, ICBC Tower, 3 Garden Road, Central, Hong Kong.
- (e) Deutsche Bank is the lead financial adviser to the Company in relation to the Proposal and the Share Incentive Proposal, and its registered address is at Level 60, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.
- (f) Fosun International Capital is the joint financial adviser to the Company in relation to the Proposal and the Share Incentive Proposal and its registered address is Suite 2101-2105, 21/F, Champion Tower, 3 Garden Road, Central, Hong Kong.
- (g) The registered office of the Independent Financial Adviser, Altus Capital Limited, is at 21 Wing Wo Street, Central, Hong Kong.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection on the website of the Company at <https://www.fosunholiday.com/article/gghfb/> and the website of the SFC at www.sfc.hk from the date when this Scheme Document is published until (a) the Effective Date, and (b) the date on which the Scheme is withdrawn or lapses, whichever is earlier:

- (a) the memorandum and articles of association of the Company;
- (b) the interim report containing unaudited consolidated financial statements of the Company for the six months ended 30 June 2024;
- (c) the annual reports containing audited consolidated financial statements of the Company for the years ended 31 December 2022 and 31 December 2023;
- (d) the letter from the Board, the text of which is set out in Part IV of this Scheme Document;
- (e) the letter from the Independent Financial Adviser, the text of which is set out in Part V of this Scheme Document;

- (f) the report from Ernst & Young as set out in APPENDIX II to this Scheme Document;
- (g) the report from Ernst & Young as set out in APPENDIX V to this Scheme Document;
- (h) the report from Deutsche Bank as set out in APPENDIX VI to this Scheme Document;
- (i) the written consents referred to in the section headed “*10. Consents and Qualifications of Experts*” in this APPENDIX III;
- (j) the service contracts referred to in the section headed “*9. Directors’ Service Contracts*” in this APPENDIX III;
- (k) the property valuation report (including the valuation certificate) from the Property Valuers, the text of which is set out in APPENDIX IV of this Scheme Document;
- (l) the material contracts referred to in the section headed “*7. Material Contracts*” in this APPENDIX III; and
- (m) this Scheme Document.

The following is the text of the letter, a summary of valuations and the valuation report prepared for the purpose of incorporation in this Scheme Document received from Cushman & Wakefield Limited, an independent property valuer, in connection with its opinion of value of the Properties as of 30 November 2024.



27/F, One Island East
Taikoo Place
18 Westlands Road
Quarry Bay
Hong Kong

10 February 2025

The Directors
Fosun Tourism Group
Room 808 & 2101-06
ICBC Tower
3 Garden Road Central
Hong Kong

Dear Sirs,

Instructions, Purpose & Valuation Date

In accordance with the instructions of Fosun Tourism Group (the “**Company**”) for us to value certain properties in the People’s Republic of China (the “**PRC**”) and Thailand (the “**Properties**”) (as more particularly described in the attached valuation report) in which the Company and/or its subsidiaries (together referred to as the “**Group**”) have interests, we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we considered necessary for the purpose of providing you with our opinion of the market values of the Properties as at 30 November 2024 (the “**Valuation Date**”).

Valuation Basis

Our valuation of each property represents its market value which in accordance with the HKIS Valuation Standards 2024 published by the Hong Kong Institute of Surveyors (“**HKIS**”) 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”.

Our valuation of each property is on an entirety interest basis.

Valuation Assumptions

Our valuation of each property excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

We confirm that we have complied with the requirements set out 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 and The HKIS Valuation Standards 2024 published by The Hong Kong Institute of Surveyors and Rule 11 of The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission.

In the course of our valuation of the Properties, we have relied on the information and advice given by the Company and the Company's PRC legal adviser (the "**Legal Adviser**"), Shanghai Allbright Law Offices, regarding the titles to the Properties and the interests of the Company in the properties in the PRC. The status of titles and grant of major certificates, approvals and licences, in accordance with the information provided by the Company are set out in the notes of the valuation report. Based on the information and advice given by the Company and the Legal Adviser, all consents, approvals and licences from relevant government authorities for the Properties, as more particularly described in the notes of the attached valuation report, and the design and construction of the Properties are in compliance with the local planning regulations and have been approved by the relevant authorities.

No allowance has been made in our valuations for any charges, pledges or amounts owing on the Properties nor any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, our valuations are on the basis that the Properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

Method of Valuation

We have valued the hotel portions of the Properties by Discounted Cash Flow ("**DCF**") Method. DCF Method involves discounting future net cash flow after operation-related and property-related capital taxes (i.e. net operating income) of a property until the end of the respective unexpired land use term to its present value by using an appropriate discount rate that reflects the rate of return required by a third party investor for an investment of this type. We have prepared the cash flow forecast with reference to the current and anticipated market conditions.

The discount rate adopted in DCF Method reflects the rate of return required by a third party investor for an investment of similar use type. In determining the discount rate which reflects the inherent risks associated with investment in the property, we take into consideration compensation for risks inherent in future cash flows, inflation, revenue growth, our understanding of the return expected by investors for similar properties as well

as the level of discount rates used in valuations of similar types of properties. The discount rate adopted is reasonable and in line with the market norm having regard to the relevant analyses.

Given the property and market conditions, we have applied Investment Method for the retail portions. When using Investment Method, we have mainly made reference to lettings of other relevant comparable rental evidences of properties of similar use type subject to appropriate adjustments including but not limited to location, accessibility, age, quality, trade mix, size, time and other relevant factors.

The capitalisation rates adopted in our valuations are based on our analyses of the yields of properties of similar use type after due adjustments. Such capitalisation rates are estimated with reference to the yields generally expected by the market for comparable properties of similar use type, which implicitly reflects the type and quality of the properties, the expectation of the potential future rental growth, capital appreciation and relevant risk factors. The capitalisation rates adopted are reasonable and in line with the market norm having regard to the analysed yields of transactions of the relevant use type.

In the valuation of residential properties and land to be developed, we have utilised Market Comparison Method which is a commonly used valuation method for property valuation when there are relevant comparable sales evidence for reference to arrive at the market value. This method rests on the wide acceptance of the market evidence as the best indicator that can be extrapolated to similar properties, subject to allowances for variable factors. We consider the market value arrived at by Market Comparison Method is reliable. Such method is in line with market practice.

In response to the snow park portion of Property No. 2, due to the specific nature of the property and lack of sales transactions of properties of the same characteristics in the vicinity, we have mainly adopted Depreciated Replacement Cost (“DRC”) Method. DRC Method is based on an estimate of the market value of the land in its existing use, plus the current cost of replacement of the improvements, less allowance for physical deterioration and all relevant forms of obsolescence and optimisation. For the land portion, we have generally made reference to comparable land sales evidence as available in the relevant market subject to appropriate adjustments including but not limited to location, time, size etc. DRC Method is subject to service potential of the entity from the use of assets as a whole paying due regard to the total assets employed. The market value arrived using DRC Method applies to the whole of the complex or development as a unique interest, and no piecemeal transaction of the complex or development is assumed.

Sustainability and Environmental, Social, and Governance

Sustainability and Environmental, Social, and Governance (“ESG”) factors are considerations which some market participants may take into account in their decision-making and may be reflected in pricing. In the course of our valuation, we have, where applicable, taken into account, to the extent that current market participants would, of the material sustainability features of the properties as observed from inspection,

information supplied or notified to us by the Company. For the avoidance of doubt, our valuations do not constitute ESG risk assessments or ratings, which are outside our expertise and require additional specialists' advice beyond the scope of the valuer.

Source of Information

In the course of our valuation, we have relied to a very considerable extent on the information given by the Company and have accepted advice given to us on such matters as planning approvals, statutory notices, easements, tenure, identification of land and buildings, particulars of occupancy, site and floor areas, site and floor plans, number of guest rooms and parking spaces, facilities, interest attributable to the Group and all other relevant matters.

Dimensions, measurements and areas included in the valuation report are based on the information provided to us and are therefore only approximations. We have had no reason to doubt the truth and accuracy of the information provided to us by the Company which is material to the valuations. We were also advised by the Company that no material facts have been omitted from the information provided.

We would point out that the copies of documents provided to us are mainly compiled in Chinese or Thai characters and the transliteration into English represents our understanding of the contents. We would therefore advise the Company to make reference to the original Chinese or Thai edition of the documents and consult your legal adviser regarding the legality and interpretation of these documents.

Title Investigation

In respect of the properties in the PRC, we have been provided with extracts of documents relating to the titles of the properties but have not carried out land title searches. Legal opinions in respect of the properties in the PRC have been provided. We have no reason to doubt the truth and accuracy of such information provided by the Company and we have been advised by the Company that no material facts have been omitted from the information provided.

In respect of the property in Thailand, we have been provided with copies of the title documents relating to the property interest and have caused searches to be made at the appropriate land registries in Thailand.

Site Inspection

Amanda Liu (Valuer of our Beijing office) and Valerie Chan (Senior Associate Director of our Hong Kong office) inspected the exterior, and where possible, the interior of the properties in the PRC. Tatchada Supakornpichan (Head of Valuation and Advisory of our Thailand office), Noppadon Srithiamthong (Director of our Thailand office), Kattaliya Pitakvorarat (Senior Manager of our Thailand office), Surapong Srikokcharoen (Manager of our Thailand office) and Candice Li (Senior Manager of our Hong Kong office) inspected the exterior, and where possible, the interior of the property in Thailand. All inspections were conducted in December 2024. However, no structural survey has been

made, but in the course of our inspection, we did not note any serious defects. We are, however, not able to report that the Properties are free of rot, infestation or any other structural defects. No tests were carried out to any of the services.

Moreover, we have not carried out investigation on site to determine the suitability of the soil conditions and the services etc. for any future development. Our valuations are prepared on the assumption that these aspects are satisfactory and that no extraordinary costs or delays will be incurred during the construction period. Unless otherwise stated, we have not carried out on-site measurements to verify the site and floor areas of the Properties and we have assumed that the areas shown on the copies of the documents handed to us are correct.

Potential Tax Liabilities

As advised by the Company, the potential tax liabilities which would arise on the direct disposal of the Properties held by the Company at the amounts valued by us mainly comprise the following:

PRC properties

- 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.

Thailand property

- Corporate income tax on capital gain at 20%.
- Withholding tax at 1% on the disposal of immovable property on the payments made to a resident company.
- Transfer fee at 2% of the government assessed value of the property.
- Stamp Duty at 0.5% on the consideration except where the seller is subject to specific business tax (“SBT”). SBT of 3.3% is payable on the transfer value on transfer of real property requiring registration for change of ownership at the Land Department (SBT rate is 3% and a municipal tax of 10% paid to local authority).

In respect of the Properties held by the Company, the likelihood of the relevant tax liabilities being crystallised is remote as the Group have no plans for the disposal of such properties yet.

Other Disclosure

We hereby confirm that Cushman & Wakefield Limited and the undersigned have no pecuniary or other interests that could conflict with the proper valuation of the Properties or could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion. We confirm that we are an independent qualified valuer, as referred to Rule 5.08 of the Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Currency and Exchange Rate

Unless otherwise stated, all monetary amounts stated in our valuations are in Renminbi (“RMB”) and Thai Baht (“THB”) which are the official currencies for the properties in the PRC and Thailand respectively. For reference purpose, we have also stated the market values in Hong Kong Dollars (“HKD”) in the report. The exchange rates adopted as at the Valuation Date were HKD1 = RMB0.9309 and HKD1 = THB4.4077.

Intended Use of Report

This valuation report is issued for the use of the Company for regulatory disclosure purpose.

We attach herewith a summary of valuations and our valuation report.

Yours faithfully,
For and on behalf of
Cushman & Wakefield Limited
Grace Lam
MHKIS, MRICS, R.P.S. (GP)
Senior Director
Valuation & Advisory Services, Greater China

Notes:

- (1) Ms. Grace Lam is a Member of the Royal Institution of Chartered Surveyors, a Member of the Hong Kong Institute of Surveyors and a Registered Professional Surveyor (General Practice). Ms. Lam has over 30 years of experience in the professional property valuation and advisory services in the Greater China region and various overseas countries. Ms. Lam has sufficient current national knowledge of the market, and the skills and understanding to undertake the valuations competently.
- (2) The valuation of the property in Group II in Thailand was undertaken by Ms. Grace Lam in collaboration with Ms. Tatchada Supakornpichan, Head of Valuation and Advisory of our Thailand Office. Ms. Tatchada Supakornpichan is a Qualified Senior Valuer under the Securities and Exchange Commission, Thailand approval list no. ๓๗ 078 and member of Valuation Association of Thailand and Thai Valuers Association, and has over 20 years of experience in the valuation of properties in Thailand.
- (3) * Company name in English translation for identification only.

SUMMARY OF VALUATIONS

Group I — Property interests held by the Group in the PRC

Property	Market value in existing state as at 30 November 2024 (RMB)	Attributable interest to the Group (%)	Market value in existing state attributable to the Group as at 30 November 2024 (RMB)
1. Atlantis Sanya Development, Haitangwan, Haitang District, Sanya, Hainan Province, the PRC (中國 海南省三亞市 海棠區海棠灣 亞特蘭蒂斯酒店渡假村項目)	13,001,000,000	100	13,001,000,000
2. Club Med Urban Oasis Taicang Resort Development, Nanjiao Town, Taicang, Suzhou, Jiangsu Province, the PRC (中國 江蘇省蘇州市 太倉市南郊鎮 地中海白日方舟太倉渡 假村項目)	4,049,000,000	100	4,049,000,000
Sub-Total	<u>17,050,000,000</u>		<u>17,050,000,000</u>

Note:

The total market value in existing state of the property interests in the PRC and the total market value in existing state attributable to the Group as at 30 November 2024 were approximately HKD18,315,608,551 and HKD18,315,608,551 respectively.

Group II — Property interest held by the Group in Thailand

Property	Market value in existing state as at 30 November 2024 (THB)	Attributable interest to the Group (%)	Market value in existing state attributable to the Group as at 30 November 2024 (THB)
3. Leasehold interest of Club Med Phuket, No. 3 Kata Road, Karon Sub-district, Mueang Phuket District, Phuket Province, Thailand	3,270,000,000	49	1,602,000,000
Sub-Total	<u>3,270,000,000</u>		<u>1,602,000,000</u>

Note:

The market value in existing state of the property interest in Thailand and the market value in existing state attributable to the Group as at 30 November 2024 were approximately HKD741,883,522 and HKD363,454,863 respectively.

VALUATION REPORT

Group I — Property interests held by the Group in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2024												
1. Atlantis Sanya Development, Haitangwan, Haitang District, Sanya, Hainan Province, the PRC (中國海南省三亞市海棠區海棠灣亞特蘭蒂斯酒店度假村項目)	<p>The property comprises a commercial complex erected on various parcels of land with a total site area of approximately 63,667.68 sq m.</p> <p>The commercial complex is a large-scale development developed in various phases in 2018. It comprises various buildings and structures with a total gross floor area of approximately 310,091.03 sq m completed.</p> <p>Details of the gross floor (“GFA”) are areas as follows:</p> <table border="1"> <thead> <tr> <th>Use</th> <th>GFA (sq m)</th> </tr> </thead> <tbody> <tr> <td>Hotel</td> <td>250,298.58</td> </tr> <tr> <td>Water Park</td> <td>58,562.72</td> </tr> <tr> <td>Villa</td> <td>971.42</td> </tr> <tr> <td>Retail</td> <td><u>258.31</u></td> </tr> <tr> <td>Total</td> <td><u><u>310,091.03</u></u></td> </tr> </tbody> </table> <p>The land use rights of the property have been granted for terms of 40 years due to expire on 18 February 2054 for commercial uses (hotel, villa and retail), and 50 years due to expire on 18 February 2064 for water park use.</p>	Use	GFA (sq m)	Hotel	250,298.58	Water Park	58,562.72	Villa	971.42	Retail	<u>258.31</u>	Total	<u><u>310,091.03</u></u>	<p>As at the Valuation Date, the hotel portion and water park of the property were operated under the brand of Atlantis.</p> <p>The retail portion is subject to various tenancies with the last term expiring in August 2027. The total monthly rent was approximately RMB1,510,000, exclusive of valued-added tax (“VAT”).</p> <p>The villas were vacant.</p>	<p>RMB13,001,000,000</p> <p>(RENMINBI THIRTEEN BILLION ONE MILLION)</p>
Use	GFA (sq m)														
Hotel	250,298.58														
Water Park	58,562.72														
Villa	971.42														
Retail	<u>258.31</u>														
Total	<u><u>310,091.03</u></u>														

Notes:

- (1) According to 42 Real Estate Title Certificates issued by 三亞市自然資源和規劃局 (the Sanya Municipal Bureau of Natural Resources and Planning) (the “grantor”), the land use rights of the property have been vested in 海南亞特蘭蒂斯商旅發展有限公司 (Hainan Atlantis Business Travel Development Co., Ltd.) with details as follows:

Certificate No.	Land Use Term Expiry Date	Use	Site Area (sq m)	GFA (sq m)
(2019) 0020874	2064/2/18	Leisure and Recreation Land/ Supporting Facilities	20.29	13.74
(2019) 0021433	2064/2/18	Leisure and Recreation Land/ Supporting Facilities	0.00	726.73
(2019) 0021432	2064/2/18	Leisure and Recreation Land/ Supporting Facilities	370.03	363.29
(2019) 0020588	2064/2/18	Leisure and Recreation Land/ Supporting Facilities	12,344.21	27,453.67
(2019) 0020742	2064/2/18	Leisure and Recreation Land/ Supporting Facilities	89.26	62.60
(2019) 0020743	2064/2/18	Leisure and Recreation Land/ Supporting Facilities	115.61	91.02
(2019) 0020872	2064/2/18	Leisure and Recreation Land/ Supporting Facilities	1,636.31	3,054.71
(2019) 0001421	2064/2/18	Leisure and Recreation Land/ Supporting Facilities	431.38	416.11
(2019) 0022259	2064/2/18	Leisure and Recreation Land/ Supporting Facilities	3171.31	10,054.95
(2019) 0022258	2064/2/18	Leisure and Recreation Land/ Supporting Facilities	317.37	654.47
(2019) 0020876	2064/2/18	Leisure and Recreation Land/ Supporting Facilities	21.13	13.74
(2019) 0021426	2064/2/18	Leisure and Recreation Land/ Supporting Facilities	660.17	1,749.55
(2019) 0021428	2064/2/18	Leisure and Recreation Land/ Supporting Facilities	82.20	144.64
(2019) 0021435	2064/2/18	Leisure and Recreation Land/ Supporting Facilities	57.48	36.96
(2019) 0021437	2064/2/18	Leisure and Recreation Land/ Supporting Facilities	89.26	56.89
(2019) 0020877	2064/2/18	Leisure and Recreation Land/ Supporting Facilities	19.69	13.74
(2019) 0020875	2064/2/18	Leisure and Recreation Land/ Supporting Facilities	20.29	13.74
(2019) 0021430	2064/2/18	Leisure and Recreation Land/ Supporting Facilities	582.97	562.11
(2019) 0021424	2064/2/18	Leisure and Recreation Land/ Supporting Facilities	431.39	416.11
(2019) 0020869	2064/2/18	Leisure and Recreation Land/ Supporting Facilities	146.40	135.25
(2019) 0021441	2064/2/18	Leisure and Recreation Land/ Supporting Facilities	0.00	1,370.42
(2019) 0021422	2064/2/18	Leisure and Recreation Land/ Supporting Facilities	431.38	416.11

Certificate No.	Land Use Term Expiry Date	Use	Site Area (sq m)	GFA (sq m)
(2019) 0021425	2064/2/18	Leisure and Recreation Land/ Supporting Facilities	2,746.12	6,710.11
(2019) 0021442	2064/2/18	Leisure and Recreation Land/ Supporting Facilities	0.00	338.43
(2019) 0021429	2064/2/18	Leisure and Recreation Land/ Supporting Facilities	2,119.02	2,027.58
(2019) 0021420	2064/2/18	Leisure and Recreation Land/ Supporting Facilities	1,612.74	1,449.49
(2019) 0020879	2064/2/18	Leisure and Recreation Land/ Supporting Facilities	62.50	58.86
(2019) 0020878	2064/2/18	Leisure and Recreation Land/ Supporting Facilities	21.10	13.74
(2019) 0020873	2064/2/18	Leisure and Recreation Land/ Supporting Facilities	20.29	13.74
(2019) 0021434	2064/2/18	Leisure and Recreation Land/ Supporting Facilities	30.66	10.32
(2019) 0021438	2064/2/18	Leisure and Recreation Land/ Supporting Facilities	57.52	36.96
(2019) 0021439	2064/2/18	Leisure and Recreation Land/ Supporting Facilities	0.00	82.94
(2019) 0028876	2054/2/18	Hotel Land/Supporting Facilities	48.34	10.32
(2019) 0028621	2054/2/18	Hotel Land/Supporting Facilities	237.94	228.16
(2019) 0028620	2054/2/18	Hotel Land/Supporting Facilities	157.36	152.51
(2019) 0028619	2054/2/18	Hotel Land/Supporting Facilities	157.81	107.46
(2019) 0028451	2054/2/18	Hotel Land/Supporting Facilities	32,113.73	248,863.64
(2019) 0028626	2054/2/18	Catering Land/Commercial	437.24	256.32
(2019) 0029579	2054/2/18	Catering Land/Commercial	850.26	680.17
(2019) 0029785	2054/2/18	Hotel Land/Property Hotel	1,182.96	647.71
(2019) 0031521	2054/2/18	Hotel Land/Property Hotel	761.34	323.71
(2019) 0010022	2054/2/18	Catering Land/Commercial	12.62	258.31
Total			<u>63,667.68</u>	<u>310,091.03</u>

- (2) According to Business Licence No. 914602000623459876 dated 28 April 2024, 海南亞特蘭蒂斯商旅發展有限公司 (Hainan Atlantis Business Travel Development Co., Ltd.) was established on 15 May 2013 as a limited company with a registered capital of RMB801,500,000 for a valid operating period from 15 May 2013 to 15 May 2043.
- (3) As advised by the Company, 海南亞特蘭蒂斯商旅發展有限公司 (Hainan Atlantis Business Travel Development Co., Ltd.) is wholly owned subsidiary of the Company.

- (4) We have been provided with a legal opinion issued by the Company's Legal Adviser, which contains, *inter alia*, the following information:
- (a) 海南亞特蘭蒂斯商旅發展有限公司 (Hainan Atlantis Business Travel Development Co., Ltd.) is a legally established limited liability company with a valid business licence and is effectively operating;
 - (b) 海南亞特蘭蒂斯商旅發展有限公司 (Hainan Atlantis Business Travel Development Co., Ltd.) have obtained all approvals and permissions for obtaining all rights of the property and land use;
 - (c) The property is subject to a legal charge for a term loan commencing with Shandong International Trust Co., Ltd. as the mortgagee, corresponding to a principal debt amount of RMB7.001 billion, expiring on 28 January 2044; and
 - (d) 海南亞特蘭蒂斯商旅發展有限公司 (Hainan Atlantis Business Travel Development Co., Ltd.) has fully settled the land premium.
- (5) The status of the title and grant of major approvals and licences in accordance with the information provided by the Company and the opinion of the PRC legal adviser:
- | | |
|-------------------------------|-----|
| Real Estate Title Certificate | Yes |
| Business Licence | Yes |
- (6) In the course of our valuation, we have adopted discount rate of 7.75% for the hotel and water park portion.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2024																					
2. Club Med Urban Oasis Taicang Resort Development, Nanjiao Town, Taicang, Suzhou, Jiangsu Province, the PRC (中國江蘇省蘇州市太倉市南郊鎮地中海白日方舟太倉渡假村項目)	<p>The property comprises a commercial complex erected on various parcels of land with a total site area of approximately 197,955.42 sq m.</p> <p>The property comprises four portions, with hotel, indoor ski centre, retail and residential areas completed in between 2021 and 2023. It comprises various buildings and structures with a total gross floor area of approximately 265,326.59 sq m completed. Besides, two parcels of land remain undeveloped with no specific commencement or completion dates scheduled.</p> <p>Details of the site area and gross floor areas as follows:</p>	<p>As at the Valuation Date, the hotel portion was operated under the brand of Club Med, and Snow Park is operated by the Compagnie des Alpes team.</p> <p>Portions of the retail space with a total gross floor area of approximately 30,801.10 sq m are subject to various tenancies with the last term expiring in October 2039. The total monthly rent was approximately RMB520,000 (exclusive of VAT).</p> <p>The residential portion was vacant.</p> <p>The undeveloped land portion was vacant.</p>	<p>RMB4,049,000,000</p> <p>(RENMINBI FOUR BILLION FORTY NINE MILLION)</p>																					
	<table border="1"> <thead> <tr> <th>Use</th> <th>Site Area (sq m)</th> <th>GFA (sq m)</th> </tr> </thead> <tbody> <tr> <td>Hotel</td> <td>12,275.30</td> <td>48,235.66</td> </tr> <tr> <td>Snow Park</td> <td>57,732.70</td> <td>90,910.68</td> </tr> <tr> <td>Retail</td> <td>45,709.80</td> <td>60,395.31</td> </tr> <tr> <td>Residential</td> <td>33,265.72</td> <td>65,784.94</td> </tr> <tr> <td>Land</td> <td><u>48,971.90</u></td> <td><u>—</u></td> </tr> <tr> <td>Total</td> <td><u>197,955.42</u></td> <td><u>265,326.59</u></td> </tr> </tbody> </table>	Use	Site Area (sq m)	GFA (sq m)	Hotel	12,275.30	48,235.66	Snow Park	57,732.70	90,910.68	Retail	45,709.80	60,395.31	Residential	33,265.72	65,784.94	Land	<u>48,971.90</u>	<u>—</u>	Total	<u>197,955.42</u>	<u>265,326.59</u>		
Use	Site Area (sq m)	GFA (sq m)																						
Hotel	12,275.30	48,235.66																						
Snow Park	57,732.70	90,910.68																						
Retail	45,709.80	60,395.31																						
Residential	33,265.72	65,784.94																						
Land	<u>48,971.90</u>	<u>—</u>																						
Total	<u>197,955.42</u>	<u>265,326.59</u>																						

Notes:

- (1) According to 11 Real Estate Title Certificates issued by 太倉市自然資源和規劃局 (the Taicang Municipal Bureau of Natural Resources and Planning) (the “grantor”), the land use rights of the property have been vested in 悦洲(太倉)旅遊文化開發有限公司 (“悦洲”), 悦浩(太倉)旅遊文化開發有限公司 (“悦浩”), 悦雪(太倉)旅遊文化開發有限公司 (“悦雪”), 悦歐(太倉)旅遊文化開發有限公司 (“悦歐”) with details as follows:

Use	Owner	Certificate No.	Land Use Term Expiry Date	Use	Site Area (sq m)	GFA (sq m)
Hotel	悦洲	(2023) 1055109	2058/3/19	Accommodation and Catering Land/Hotel	12,275.30	48,235.66
Indoor Ski Center	悦雪	(2023) 1047894	2058/3/19	Cultural Facilities, Sports, Entertainment Land/Non-residential	57,732.70	90,910.68
Retail	悦歐	(2023) 1056400	2058/9/4	Commercial Land/Commercial	11,345.50	14,189.42
Retail	悦歐	(2023) 1056402	2058/9/4	Commercial Land/Commercial	8,546.20	13,929.54
Retail	悦歐	(2023) 1056401	2058/9/4	Commercial Land/Commercial	17,791.70	19,607.08
Retail	悦歐	(2023) 1056399	2058/9/4	Commercial Land/Commercial	8,026.40	12,669.27
Residential	悦浩	(2019) 0004520	2088/10/10	Residential Land	7,313.92	15,673.87
Residential	悦歐	(2018) 0027218	2088/9/4	Residential Land	3,077.34	5,795.57
Residential	悦雪	(2019) 0003258	2088/3/19	Residential Land	22,874.47	44,315.50
Undeveloped Land	悦浩	(2019) 0004517	2058/10/10	Business and Financial Land	22,648.40	—
Undeveloped Land	悦洲	(2019) 0000029	2088/3/19	Residential Land	26,323.50	—
Total					<u>197,955.42</u>	<u>265,326.59</u>

- (2) According to Business Licence No. 91320585MA1WT8CK83 dated 16 March 2023, 悦歐(太倉)旅遊文化開發有限公司 (Yue Ou (Taicang) Tourism Culture Development Co., Ltd) was established on 29 June 2018 as a limited company with a registered capital of RMB1,100,000,000 for a valid operating period from 29 June 2018 to 28 June 2048.

According to Business Licence No. 91320585MA1WNL2X0 dated 17 March 2023, 悦雪(太倉)旅遊文化開發有限公司 (Yue Xue (Taicang) Tourism Culture Development Co., Ltd.) was established on 7 June 2018 as a limited company with a registered capital of RMB510,000,000 for a valid operating period from 7 June 2018 to 6 June 2048.

According to Business Licence No. 91320585MA1WNL0M00 dated 17 March 2023, 悦洲(太倉)旅遊文化開發有限公司 (Yue Zhou (Taicang) Tourism Culture Development Co., Ltd.) was established on 7 June 2018 as a limited company with a registered capital of RMB460,000,000 for a valid operating period from 7 June 2018 to 6 June 2048.

According to Business Licence No. 91320585MA1WW3430P dated 17 March 2023, 悦浩(太倉)旅遊文化開發有限公司 (Yue Hao (Taicang) Tourism Culture Development Co., Ltd.) was established on 12 July 2018 as a limited company with a registered capital of RMB510,000,000 for a valid operating period from 12 July 2018 to 11 July 2048.

- (3) As advised by the Company, 悦歐(太倉)旅遊文化開發有限公司 (Yue Ou (Taicang) Tourism Culture Development Co., Ltd), 悦雪(太倉)旅遊文化開發有限公司 (Yue Xue (Taicang) Tourism Culture Development Co., Ltd.), 悦洲(太倉)旅遊文化開發有限公司 (Yue Zhou (Taicang) Tourism Culture Development Co., Ltd.), and 悦浩(太倉)旅遊文化開發有限公司 (Yue Hao (Taicang) Tourism Culture Development Co., Ltd.) are wholly owned subsidiaries of the Company.

- (4) We have been provided with a legal opinion issued by the Company's Legal Adviser, which contains, *inter alia*, the following information:

(a) 悦歐(太倉)旅遊文化開發有限公司 (Yue Ou (Taicang) Tourism Culture Development Co., Ltd), 悦雪(太倉)旅遊文化開發有限公司 (Yue Xue (Taicang) Tourism Culture Development Co., Ltd.), 悦洲(太倉)旅遊文化開發有限公司 (Yue Zhou (Taicang) Tourism Culture Development Co., Ltd.), and 悦浩(太倉)旅遊文化開發有限公司 (Yue Hao (Taicang) Tourism Culture Development Co., Ltd.) have legally obtained and are the legal owners of the land use rights of the property;

(b) 悦歐(太倉)旅遊文化開發有限公司 (Yue Ou (Taicang) Tourism Culture Development Co., Ltd), 悦雪(太倉)旅遊文化開發有限公司 (Yue Xue (Taicang) Tourism Culture Development Co., Ltd.), 悦洲(太倉)旅遊文化開發有限公司 (Yue Zhou (Taicang) Tourism Culture Development Co., Ltd.), and 悦浩(太倉)旅遊文化開發有限公司 (Yue Hao (Taicang) Tourism Culture Development Co., Ltd.) have obtained all approvals and permissions for obtaining all rights of the property and land use;

(c) 悦歐(太倉)旅遊文化開發有限公司 (Yue Ou (Taicang) Tourism Culture Development Co., Ltd) is not subject to any mortgage, seizure, or freezing;

悦雪(太倉)旅遊文化開發有限公司 (Yue Xue (Taicang) Tourism Culture Development Co., Ltd.) is subject to a legal charge for a term loan commencing with Bank of China Limited, Taicang Branch as the mortgagee, corresponding to a principal debt amount of RMB15 billion, expiring on 2 February 2036;

悦洲(太倉)旅遊文化開發有限公司 (Yue Zhou (Taicang) Tourism Culture Development Co., Ltd.) has established a mortgage, with the mortgagee being PanGu Bank (China) Co., Ltd., Xiamen Branch. The corresponding principal claim is from 1 July 2022 to 31 December 2030, with the maximum guaranteed debt balance not exceeding RMB420 million; and

悦浩(太倉)旅遊文化開發有限公司 (Yue Hao (Taicang) Tourism Culture Development Co., Ltd.) is not subject to any mortgage, seizure, or freezing; and

(d) 悦歐(太倉)旅遊文化開發有限公司 (Yue Ou (Taicang) Tourism Culture Development Co., Ltd), 悦雪(太倉)旅遊文化開發有限公司 (Yue Xue (Taicang) Tourism Culture Development Co., Ltd.), 悦洲(太倉)旅遊文化開發有限公司 (Yue Zhou (Taicang) Tourism Culture Development Co., Ltd.), and 悦浩(太倉)旅遊文化開發有限公司 (Yue Hao (Taicang) Tourism Culture Development Co., Ltd.) have fully settled the land premium.

- (5) The status of the title and grant of major approvals and licences in accordance with the information provided by the Company and the opinion of the PRC legal adviser:

Real Estate Title Certificate	Yes
Business Licence	Yes

- (6) In the course of our valuation, we have adopted discount rate of 7.75% for the hotel portion.

VALUATION REPORT

Group II — Property interest held by the Group in Thailand

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2024																																																							
3. Leasehold interest of Club Med Phuket, No. 3 Kata Road, Karon Sub-district, Mueang Phuket District, Phuket Province, Thailand	<p>The property comprises two plots of leasehold land, registered under five title deeds, with a total area of 154,862 sq m. They include PLOT 1, owned by and leased from G.M.R. Company Limited, and PLOT 2, owned by and leased from the Administrative Organization of Phuket Province.</p> <p>Developments on the site include an all-inclusive package resort and supporting facilities, named “CLUB MED PHUKET”, with total existing 334 keys. Additional 32 keys are under construction, scheduled for completion in 2025, along with the renovation of the remaining keys. Upon completion, there will be 366 keys for guest members. There are 68 buildings and improvements on the site, with a total gross floor area of approximately 36,300 sq m.</p>	<p>As at the Valuation Date, the property was operated under the brand of Club Med.</p> <p>Portions of the existing buildings, including Resort Buildings A, B, C and D, Brand New Family, and the Oasis Area, totalling 74 keys, were renovated in 2024. Renovations are planned to continue for Resort Buildings E to M in 2025.</p> <p>Meanwhile, additional buildings and facilities on PLOT 2 were under construction. These include 4 resort buildings (32 keys each for 3–4 guests), 3 staff residences, restaurants, a swimming pool, and an electrical room.</p> <p>As of Q4 2024, the construction and renovation progress were ongoing, and the entire resort was expected to be fully serviced in 2026, with 366 keys accommodating 783 beds.</p>	<p>THB 3,270,000,000</p> <p>(THAI BAHT THREE BILLION TWO HUNDRED SEVENTY MILLION)</p> <p>(49% interest attributable to the Group: THB1,602,000,000)</p>																																																							
	<table border="1"> <thead> <tr> <th>Plot</th> <th>Building</th> <th>No. of Block</th> <th>GFA (sq m)</th> </tr> </thead> <tbody> <tr> <td colspan="4">Existing Buildings</td> </tr> <tr> <td>1</td> <td>E-U</td> <td>17</td> <td>13,292.50</td> </tr> <tr> <td>1</td> <td>Supporting</td> <td>37</td> <td>14,134.95</td> </tr> <tr> <td></td> <td>Sub-Total</td> <td>54</td> <td>27,427.45</td> </tr> <tr> <td>2</td> <td>A-D</td> <td>4</td> <td>3,888.00</td> </tr> <tr> <td colspan="4">Under Construction Buildings</td> </tr> <tr> <td>2</td> <td>A1-D1</td> <td>4</td> <td>2,305.60</td> </tr> <tr> <td>2</td> <td>Restaurant</td> <td>1</td> <td>385.70</td> </tr> <tr> <td>2</td> <td>Swimming Pool</td> <td>1</td> <td>1,304.90</td> </tr> <tr> <td>2</td> <td>Staff Residence</td> <td>3</td> <td>857.80</td> </tr> <tr> <td>2</td> <td>Electrical Room</td> <td>1</td> <td>122.00</td> </tr> <tr> <td></td> <td>Sub-Total</td> <td>14</td> <td>8,864.00</td> </tr> <tr> <td></td> <td>Grand Total</td> <td>68</td> <td>36,291.45</td> </tr> </tbody> </table>	Plot	Building	No. of Block	GFA (sq m)	Existing Buildings				1	E-U	17	13,292.50	1	Supporting	37	14,134.95		Sub-Total	54	27,427.45	2	A-D	4	3,888.00	Under Construction Buildings				2	A1-D1	4	2,305.60	2	Restaurant	1	385.70	2	Swimming Pool	1	1,304.90	2	Staff Residence	3	857.80	2	Electrical Room	1	122.00		Sub-Total	14	8,864.00		Grand Total	68	36,291.45	
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Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2024
	<p>The property is situated on Kata Beach, one of the tourist attractions in the south of Phuket. It offers full-board gourmet cuisine, stunning pools, a wellness spa, Thai boxing, and kids clubs. Public transport is available in the area, and access to other areas is convenient by rental car, motorbike, local vehicle service, and speed boat service to other tourist destinations.</p>		
	<p>The property is held in leasehold with two different lease terms. The first is PLOT 1, held under a lease agreement for G.M.R. Co., Ltd., with a 30-year term ending on 24 December 2045. The second is PLOT 2, held under a building lease agreement with the Administrative Organisation of Phuket Province, for a lease term ending on 24 September 2033, and assumed to be renewable upon expiry in this valuation.</p>		

Notes:

- (1) According to a Lease Agreement dated 25 October 1985 and an Amendment to the Lease Agreement dated 2005 entered into between G.M.R. Company Limited (the lessor) and Holiday Village (Thailand) Limited (the lessee), the term of the lease granted shall be thirty years. The lessor and the lessee each have an absolute right to renew this lease for an additional period of thirty years thereafter. Starting from the fourth year from the commencement date such rent shall not be less than United States Dollars 20,000 per annum.

- (2) Our title searches at the Phuket Land Department Office Provincial at Mueang District Branch revealed a legal description of the subject land plot under valuation as follows:

Land Plot 1: Land leased from G.M.R. Company Limited

Title Deed No.	Lot No.	Surveyed No.	Registered Land Area
14416, 17865, 110145, 110151*	289, 70, 348, 354	4, 7, 3745, 3751	97,430.40 sq m

* This title deed is presently used for public road.

Tenure:	Freehold interest.
Place Registered:	Mueang Phuket District Administrative Office
Registered Owner:	G.M.R. Company Limited
Encumbrance(s):	Subject to long term lease with Holiday Village (Thailand) Limited

- (3) According to an Agreement on Lease of Land of Administration Organisation of Changwad Bhuket dated 24 September 1985 entered into between Administration Organisation of Changwad Bhuket (the lessor) and Holiday Villages (Thailand) Ltd. (the lessee), the object of the lease is for improving and developing the land as a place of popular resort for a period of 30 years commencing on 25 September 1985 and expiring on 24 September 2015.

According to an Amendment to the Lease Agreement dated 26 March 1987, upon expiration of the 30 years' term pursuant to the Lease Agreement, the parties agree that all the buildings and construction on the land under the Lease Agreement including accessories and component parts and immovable property which is used in said business or in connection with said business as well as furniture etc. shall become the properties of the lessor forthwith free and clear from any obligation and encumbrances.

Upon expiration of the lease, if the lessee desires to extend the lease, a request must be filed with the lessor for renewal within 30 days before the expiry of the lease. In every renewal of the lease, the lessor may allow the lessee to renew the lease each time for a period of not more than 30 years.

According to a Building Lease Agreement entered into between the Phuket Provincial Administrative Organisation (the lessor) and Holiday Villages (Thailand) Limited (the lessee) dated 5 April 2019, the lessor agrees to lease to the lessee the buildings for tourists and staff accommodation including other structures and items within the buildings; and the used land connected to the buildings for the purpose of hotel business for 15 years from 25 September 2018 to 24 September 2033.

Note: Based on our interview and verification with the government officer, for the purposes of this valuation, we assume the lease will be renewed until 2045 for 12 years regarding the lease expiration of Plot 1.

- (4) Our title searches at the Phuket Land Department Office Provincial at Mueang District Branch revealed a legal description of the subject land plot under valuation as follows:

Land Plot 2: Land leased from Administrative Organisation of Phuket Province

Registered Land Area:	57,431.60 sq m
Tenure:	Freehold interest
Place Registered:	Mueang Phuket District Administrative Office
Registered Owner:	Administrative Organisation of Phuket Province
Encumbrance(s):	Subject to long term lease with Holiday Village (Thailand) Limited.

- (5) Fosun Tourism Group (as tenant) has leased the two pieces of land from G.M.R. Company Limited and Administrative Organisation of Phuket Province (which are not members of the Group).

Land Plots 1 & 2: Land leased for Club Med Phuket

Land Plot	Registered Land Area
Land Plot 1	97,430.40 sq m
Land Plot 2	<u>57,431.60 sq m</u>
Total	<u>154,862.00 sq m</u>

- (6) The status of title and grant of major approvals and licences in accordance with the information provided by the client are as follows:

Title Deeds and Land Certifications	Yes, partially provided
Land Lease Agreement	Yes, partially provided
Building Lease Agreements	Yes
Building Construction Permit	Yes, partially provided
Building Certificate	Yes, partially provided
Business Licence (Hotel licence)	Yes

- (7) The property is zoned for Orange Zone (Medium-Residential Area).
- (8) Dimensions, measurements, areas, building age included in the valuation report are based on the information provided to us, government tax receipt, and are therefore only approximations.
- (9) We have relied on the land rental payment based on the 2024 actual rent provided by the client and the projections are therefore only approximations.
- (10) In the course of our valuation, we have adopted a discount rate of 10.5% for the hotel portion.

The following is the text of the letter, a summary of valuations and the valuation report prepared for the purpose of incorporation in this Scheme Document received from Shenzhen WorldUnion Asset Appraisal Co., Ltd, an independent property valuer, in connection with its opinion of value of the Properties as of 30 November 2024.



世联资产

Shenzhen WorldUnion Asset Appraisal Co., Ltd
Excellent Meilin Center Plaza, Futian District,
Shenzhen (South District) Building B, Unit B,
19th Floor 1905 Tel: 0755-8273 6364
Fax: 0755-8254 8116

Report Number: 世聯資產估字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, here 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

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 <i>RMB</i>	Market value in existing state of Group II as of November 30, 2024 <i>RMB</i>	Market value in existing state of Group III as of November 30, 2024 <i>RMB</i>	Total Market value in existing state as of November 30, 2024 <i>RMB</i>
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
	Total:	<u>880,974,738</u>	<u>330,884,800</u>	<u>588,256,438</u>	<u>1,800,115,976</u>

Notes:

- The total market value in the existing state as of November 30, 2024, is equivalent to HKD1,933,737,218.

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>RMB880,974,738 (eight hundred and eighty million nine hundred and seventy four thousand seven hundred and thirty eight yuan)</p> <p>(Equivalent to HKD946,368,824)</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 RMB399,000,000, 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 RMB880,974,738 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 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>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>RMB330,884,800 (three hundred and thirty million eight hundred and eighty four thousand eight hundred yuan)</p> <p>(Equivalent to HKD355,446,127)</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 RMB330,884,800 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.</p> <p>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.	<p>RMB588,256,438 (five hundred and eighty eight million two hundred and fifty six thousand four hundred and thirty eight yuan)</p> <p>(Equivalent to HKD631,922,267)</p>

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 <i>(square meters)</i>	Overview	Building area <i>(square meters)</i>
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	—

Property	Site area <i>(square meters)</i>	Overview	Building area <i>(square meters)</i>
land to be developed in Phase II-Section IV	379,344.44	<p>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.</p> <p>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%.</p>	<p>GO Dormitory: 2,698.72</p> <p>Xueshan Lane Commercial Street Phase I: 1,803.39</p> <p>construction work in process of Xueshan Lane Commercial Street project Phase II: 1,419.96</p>
peripheral land to be developed in Phase III	3,364.09	Vacant, undeveloped and not constructed	—
Total	<u>546,708.61</u>		<u>8,302.80</u>

4. We also appraised the property on November 30, 2024, with a market value of RMB588,256,438 as of November 30, 2024.

The following is the text of the letter, a summary of valuations and the valuation report prepared for the purpose of incorporation in this Scheme Document received from Grupo Nacional de Avalúos y Servicios S.A. de C.V., an independent property valuer, in connection with its opinion of value of the Properties as of 30 November 2024.



Eugenio Garza Sada 2116. Col. Roma
CP 64700, Monterrey, N.L., Mexico
Tel: (81) 81282800 8358-6428

The Board of Directors
Fosun Tourism Group
Room 808 & 2101-06,
ICBC Tower,
3 Garden Road,
Central, Hong Kong

10 February 2025

Dear Sirs,

In accordance with your instructions to value the property interests held by **Fosun Tourism Group** (the “**Company**”) and its subsidiaries (hereinafter together referred to as the “**Group**”) in Bahamas, Dominican Republic, Mexico, Brazil, Guadeloupe, France and Italy, we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion on the market values of the property interests as at 30 November 2024 (the “**valuation date**”).

Our valuation is carried out on a market value basis. Market value 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”.

We have valued property nos.1 to 6 by the Discounted Cash Flow (“**DCF**”) approach. The DCF approach is adopted by discounting future net cash flow of the property to its present value by using an appropriate discount rate that reflects the rate of return required by a third party investor for an investment of this type. In the analysis, we incorporated an assumed 5 year holding period and the reversionary value in year sixth and discounted by an appropriate discount rate to derive a net present value. The projections in the discounted cash flow have been prepared for valuation purposes and not as a business plan forecast.

We have valued property nos.7 to 11 by the comparison approach assuming sale of the property interests in their existing states with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the market. This approach rests on the wide acceptance of the market transactions as the best indicator and pre-supposes that evidence of relevant transactions in the market place can be extrapolated to similar properties, subject to allowances for variable factors.

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interests valued nor for any expense 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 an onerous nature, which could affect their values.

In valuing the property interests, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; Rule 11 of the Code on Takeovers and Mergers issued by Securities and Futures Commission; the International Valuation Standards (IVS) published by the International Valuation Standards Council. We have also adhered to various country-specific standards, including the Uniform Standards of Professional Appraisal Practices (USPAP) by the American Society of Appraiser, the RICS Valuation — Professional Standards published by the Royal Institution of Chartered Surveyors and NMX-R081-SCFI, to ensure compliance across different local standards.

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy and all other relevant matters.

We have been shown copies of title documents relating to the property interests in all countries and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the property interests in all countries and any material encumbrance that might be attached to the property interests or any tenancy amendment. We have relied considerably on the legal opinion given by the Company's Bahamas Legal Advisor — LENNOX PATON, concerning the validity of the property interest in Bahamas, the Company's Brazil Legal Advisor — Vella Pugliese Buosi Guidoni, concerning the validity of the property interests in Brazil, the Company's Dominican Republic Legal Advisor — ECIJA DVMS, concerning the validity of the property interest in Dominican Republic and the Company's Mexico Legal Advisor — Dentons López Velarde, S.C., concerning the validity of the property interests in Mexico.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the properties. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects is satisfactory. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

The valuation work was led and carried out by Victor Martinez Puente, Juan Angel Gamez, Luís E. P. de Carvalho, Waldir A. Teixeira Jr., Maurizio Negri and Patrick Colomer, who are professional property valuers with relevant accreditation in the regions where the properties are situated. Inspection of the properties was carried out in December 2024 and January 2025 by about 7 technical staff including Eliseo Almaraz, Renato Mancilha and Anderson Bruno who are Civil Engineer, Carlos Diaz who is an Architect, Andrea Mele who is a Member of the RICS, Simone Panzenbeck and Romain USMER who is a Real Estate Appraiser. These valuers collectively possess extensive experience in property valuation across South America and Europe.

As at the valuation date. Unless otherwise stated, the monetary stated in our valuations are in Hong Kong Dollar (“**HKD**”) in respect of all the properties. The exchange rate adopted in our valuation is HKD1 = Euro (“**EUR**”) 0.12149.

As advised by the Group, the potential tax liabilities would arise on the disposal of the property interests. The tax liabilities mainly comprise the following:

For Bahamas property: Stamp duty is charged on the value of consideration paid or purchase price or appraisal value in respect of real property. The stamp duty rate was reduced to a flat rate of 2.5% with a 10% Value-Added Tax (VAT) being charged on transactions above Bahamian Dollar (“**BSD**”) 100,000. No income tax, capital gain tax or net wealth tax.

For Brazil properties: For Brazil properties: Corporate income tax at 34% on the capital gain (including IRPJ(Imposto de renda das pessoas jurídicas) at 15%, IRPJ surtax at 10%, CSLL(Contribuição Social sobre o Lucro Líquido) at 9%), plus PIS (PROGRAMA DE INTEGRAÇÃO SOCIAL)/COFINS (CONTRIBUIÇÃO PARA O FINANCIAMENTO DA SEGURIDADE SOCIAL) at the combined 9.25% rate. If such

real estate sale is classified as non-operational, then PIS and COFINS would be exempted. VAT is subject to transfer of fixed asset which have been used for less than 12 months and no State VAT will be levied (ICMS, Imposto sobre Circulação de Mercadorias e Serviços). Municipal tax charged to buyer on the transfer of real estate (impuesto sobre transmisión intervivos de bens imóveis, or ITBI) established by the applicable municipal law, usually ranging from 2% to 4%.

The PIS and COFINS would be taxed if the Brazilian company operation activity is connected to real state resales.

For Dominican Republic property: The corporate income tax on capital gains is levied at a rate of 27%. Real Property Transfer Tax on the price of the real property at 3%.

For Mexico properties: The corporate income tax on capital gains is levied at a rate of 30%. VAT is imposed on the purchaser at 16% on building or construction. Real estate transfer tax is imposed on the purchaser at the rate ranging between 2% and 7% (includes notary fees and other related costs). The basis for Real estate transfer tax should be the appraisal value (i.e., fair market value), cadastral value or transaction value, whichever results higher. Besides, all Mexican entities with employees should pay 10% on their adjusted taxable income for profit sharing.

For France property: Income tax at 25.83% (including social surcharge of 3.3% where applicable) of capital gain. For new properties, VAT is at 20% plus a land registry tax (taxe de publicité foncière) of 0.715%. For properties not treated as new which are completed over 5 years, they are exempted from VAT but subject to registration duty at the rate of 5.09% (up to 5.80% from 1 March 2014) and Land registry duty at 0.1% on the property transaction value. Besides, capital gain to be realized upon the sale could have an impact on the employee profit sharing of the selling company (if any).

For Italy property: Capital gain realized upon the sale of real estate properties is subject to corporate taxes, including corporate income tax (imposta sul reddito sulle società, IRES) at 24% rate and regional tax (imposta regionale sulle attività produttive, IRAP) at 3.9% rate (IRAP is subject to possible increase by a maximum of 0.92% depending on the particular Regional Council's resolution).

Transfer of instrumental buildings (commercial/industrial buildings, offices, hotels, warehouses, etc.) and residential properties are generally VAT exempt. However, VAT at 22% (reduced rates may apply in specific cases) will apply if the seller has performed construction/restructuring works and sells the property within 5 years from the completion date or an option to apply VAT on the sale has been made by the seller. If VAT applies upon election by the seller and the purchaser is a VAT person, VAT will apply through the reverse charge mechanism.

Transfer of instrumental buildings is subject to taxes of EUR200 registration tax, plus mortgage tax at 3% and cadastral tax at 1%. Transfer of residential properties, if VATable, is subject to EUR200 registration tax, EUR200 mortgage tax and EUR200 cadastral tax. Transfer of residential properties, if VAT exempt, is subject to registration tax at 9%, EUR50 mortgage tax and EUR50 cadastral tax.

In respect of the properties held by the Group for operation (the properties categorized in Group I in this report), occupation and for future development (the properties categorized in Group II and III in this report), as advised by the Group, the likelihood of the relevant tax liabilities crystallizing is remote as the Group has no plans for the disposal of such properties yet.

Our summary of values and valuation certificates are attached below for your attention.

Yours faithfully,
For and on behalf of
Grupo Nacional de Avalúos y Servicios S.A. de C.V.

Ing. Juan Angel Gamez
Certificate Appraiser CNBV
(Banking and Stock National
Commission)

Ing. Victor Martinez Puente
Certificate Appraiser (Public
Education Secretary)

Notes:

Ing. Juan Angel Gamez is a registered Real Property Appraiser for the Comision Nacional Bancaria de Valores in Mexico, who has over 40 years' experience in the valuation of various sectors of the property industry in South America and Europe.

Ing. Victor Martinez Puente maintained professional certification by the Secretaria de Educación Publica (Secretary of Public Education) in Mexico for Real Estate, Real Property and Business Valuation, who has over 20 years' experience in the valuation of various sectors of the property industry in South America and Europe.

SUMMARY OF VALUES

Abbreviation:

Part A: Property interests held by the Group in Bahama
 Part B: Property interest held by the Group in Brazil
 Part C: Property interests held by the Group in Dominican Republic
 Part D: Property interest held by the Group in Mexico
 Part E: Property interest held by the Group in France
 Part F: Property interest held by the Group in Guadeloupe
 Part G: Property interest held by the Group in Italy

Group I: Property interests held for operation by the Group
 Group II: Property interests held for self-occupation by the Group
 Group III: Property interest held for future development by the Group
 Group IV: Property interest held for sale by the Group

“N/A”: Not Available or Not Applicable

Part	Property no.	Market value in	Market value in	Market value in	Market value in	Total market
		existing state as at the valuation date	existing state as at the valuation date	existing state as at the valuation date	existing state as at the valuation date	value in existing state as at the valuation date
		Group I (HKD):	Group II (HKD):	Group III (HKD):	Group IV (HKD):	Total (HKD):
Part A	1	204,200,000	N/A	N/A	N/A	204,200,000
Part B	2 to 3	1,809,400,000	N/A	N/A	N/A	1,809,400,000
Part C	4	2,159,000,000	N/A	N/A	N/A	2,159,000,000
Part D	5 to 6	1,942,700,000	N/A	N/A	N/A	1,942,700,000
Part E	7 to 8	N/A	33,800,000	N/A	99,300,000	133,100,000
Part F	9 to 10	N/A	N/A	74,900,000	N/A	74,900,000
Part G	11	N/A	N/A	135,100,000	N/A	135,100,000
	Total	6,115,300,000	33,800,000	210,000,000	99,300,000	6,458,400,000

THE COMPANY AND ITS SUBSIDIARIES

We listed all relevant companies and the equity interests as below:

Holding Entity	Equities interests owned by the Company
Fosun Tourism Group	N/A
Holiday Villages (Columbus Isle) Limited	99.99%
Itaparica SA Empreendimentos Turísticos	51.59%
ClubMed Brasil S.A.	99.98%
Holiday Village of Punta Cana, S.A.	99.99%
Ixtapa Property S. de R.L. de C.V.	99.99%
Villa Playa Blanca S.A. de L.V.	99.99%
Cancun Property S. de R.L. de C.V.	99.99%
Club Med SAS	99.99%
Societe Hoteliere du Chablais	99.99%
Club Med Property La Rosière	99.99%

VALUATION CERTIFICATE

Part A — Property interests held by the Group in Bahamas

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>HKD</i>
1.	Club Med Columbus, Queen's Hwy S/N, Bonfish Bay, Cockburn Town, Bahamas	The property comprises a land with total site area of approximately 36.3003 hectares, a resort hotel with total gross floor area of approximately 95,579 sq.m. erected thereon which was completed in 1992. The resort hotel provides 256 guest rooms, with ancillary facilities including spa, retail shops, carpark, lounge, restaurants and conference rooms. The locality of the property is a well-developed leisure spot served with public facilities. The property is under fee simple interest.	As at the valuation date, the property was operated by the Group for hotel and resort purpose.	204,200,000 (Equivalent to EUR24,808,000)

Notes:

- Pursuant to a copy of the enrollment_No. 5714, folio 28, 25/11/1991 issued by Commonwealth of the Bahamas, the registered owner of the property is Holiday Villages (Columbus Isle) Limited, which is a 99.99% interest owned subsidiary of the Company.

The certified and permitted buildings of the property are as follows:

Buildings	Gross floor area (<i>sq.m.</i>)	No. of Storeys	Year of completion
Hotel Building	95,579.00	2	1992

- The site of the property is zoned as Hotel land use.
- Our valuation has been made on the following basis and analysis:

In undertaking our valuation process, we have valued the property as fully operational and going concern hotel. Our assumptions and forecast were mainly based on the Group's actual operational data and market statistics, which we have subsequently reviewed and adjusted, assumes the absence of policy changes or unforeseen events that could impact the local economy.

Major parameters adopted based on the market condition are summarized as follow:

Stabilized Growth Rate: 1%.

Terminal Capitalization Rate: 9.4%.

Discount Rate: 10.4%.

The discount rate reflects the inherent risk associated with hotel investment. It incorporates a risk premium for the forecast cash flow realization, taking into account the risk-free rate and the expected stabilized growth rate, plus a risk rate inherent to the country where the hotel is located.

4. We considered the information provided by the Group to be truthful and accurate and presumed that there are no obscure or non-apparent conditions regarding the property that would make it more or less marketable. We also considered the documentation provided by the contractor for the preparation of the report to be good and valid, making it possible to reconcile it with the inspected property.
5. We have not carried out detailed measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the title documents and official site plans handed to us are correct. For calculation purposes, we have adopted the area stated in the documentation provided by the contractor.
6. We considered that the building and operation licenses for the property are regular and in accordance with municipal, state, and federal laws.
7. We have been provided with a legal due diligence report regarding the property interest by the Company's Bahamas legal advisor, which contains, *inter alia*, the following:
 - a. Holiday Villages (Columbus Isle) Limited ("HVCIL") has corporate power to own the subject property and carry on business activities in The Bahamas; and
 - b. There are presently no actions, suits, litigation or other proceedings pending against or to which HVCIL is a party which would adversely affect HVCIL's rights to the property.
8. For the purpose of this report, the property is classified into the group as Group I — held for operation by the Group according to the purpose for which it is held.

VALUATION CERTIFICATE

Part B — Property interests held by the Group in Brazil

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>HKD</i>
2.	Club Med Rio das Pedras, Road BR — 101, km 45,5, Conceição de Jacareí, Mangaratiba, Rio Das Pedras, Brazil	The property comprises a land with total site area of approximately 31 hectares, a resort hotel with total gross floor area of approximately 30,850.82 sq.m. erected thereon which was completed in 1988. The resort hotel provides 379 guest rooms, with ancillary facilities including spa, retail shops, carpark, lounge, restaurants and conference rooms. The locality of the property is a well-developed leisure spot served with public facilities. The property is under fee simple interest.	As at the valuation date, the property was operated by the Group for hotel and resort purposes.	1,002,300,000 (Equivalent to EUR121,765,000)

Notes:

1. According to a copy of the enrollment Nos. 23.926, 23.967 and 25.495 dating from 10/10/2023, the registered owner of the property is Itaparica SA Empreendimentos Turísticos, which is a 51.59% interest owned subsidiary of the Company.

The certified and permitted buildings of the property are as follows:

Buildings	Gross floor area (m^2)	No. of Storeys	Year of completion
Hotel Building	30,850.82	3	1988

2. The site of the property is zoned as Hotel land use.
3. Our valuation has been made on the following basis and analysis:

In undertaking our valuation process, we have valued the property as fully operational and going concern hotel. Our assumptions and forecast were mainly based on the Group's actual operational data and market statistics, which we have subsequently reviewed and adjusted, assumes the absence of policy changes or unforeseen events that could impact the local economy.

Major parameters adopted based on the market condition are summarized as follow:

Stabilized Growth Rate: 1%.

Terminal Capitalization Rate: 9.6%.

Discount Rate: 10.6%.

The discount rate reflects the inherent risk associated with hotel investment. It incorporates a risk premium for the forecast cash flow realization, taking into account the risk-free rate and the expected stabilized growth rate, plus a risk rate inherent to the country where the hotel is located.

4. We considered the information provided by the Group to be truthful and accurate and presumed that there are no obscure or non-apparent conditions regarding the property that would make it more or less marketable. We also considered the documentation provided by the contractor for the preparation of the report to be good and valid, making it possible to reconcile it with the inspected property.
5. We have not carried out detailed measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the title documents and official site plans handed to us are correct. For calculation purposes, we have adopted the area stated in the documentation provided by the contractor.
6. We considered that the building and operation licenses for the property are regular and in accordance with municipal, state, and federal laws.
7. We have been provided with a legal due diligence report regarding the property interest by the Company's Brazil legal advisor, which contains, *inter alia*, the following:
 - a. The registered owner of the property is Itaparica S.A. Empreendimentos Turísticos; and
 - b. The property is unencumbered, with no mortgages, liens, or judicial restrictions of any kind affecting their ownership, use, or transferability.
8. For the purpose of this report, the property is classified into the group as Group I — held for operation by the Group according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>HKD</i>
3.	Club Med Trancoso, Road Municipal, Arraial d'Ajuda, Trancoso, Porto Seguro, Bahia, Brazil	<p>The property comprises a land with total site area of approximately 27 hectares, a resort hotel with total gross floor area of approximately 26,658.78 sq.m. erected thereon which was completed in 2002.</p> <p>The resort hotel provides 280 guest rooms, with ancillary facilities including spa, retail shops, carpark, lounge, restaurants and conference rooms.</p> <p>The locality of the property is a well-developed leisure spot served with public facilities.</p> <p>The property is under fee simple interest.</p>	As at the valuation date, the property was operated by the Group for hotel and resort purposes.	807,100,000 (Equivalent to EUR98,056,000)

Notes:

1. According to a copy of the enrollment No. 20.694, the registered owner of the property is ClubMed Brasil S.A., which is a 99.98% interest owned subsidiary of the Company.

The certified and permitted buildings of the property are as follows:

Buildings	Gross floor area (<i>m</i> ²)	No. of Storeys	Year of completion
Hotel Building	26,658,78	3	2002

2. The site of the property is zoned as Hotel land use.
3. Our valuation has been made on the following basis and analysis:

In undertaking our valuation process, we have valued the property as fully operational and going concern hotel. Our assumptions and forecast were mainly based on the Group's actual operational data and market statistics, which we have subsequently reviewed and adjusted, assumes the absence of policy changes or unforeseen events that could impact the local economy.

Major parameters adopted based on the market condition are summarized as follow:

Stabilized Growth Rate: 1%.

Terminal Capitalization Rate: 9.6%.

Discount Rate: 10.6%.

The discount rate reflects the inherent risk associated with hotel investment. It incorporates a risk premium for the forecast cash flow realization, taking into account the risk-free rate and the expected stabilized growth rate, plus a risk rate inherent to the country where the hotel is located.

4. We considered the information provided by the Group to be truthful and accurate and presumed that there are no obscure or non-apparent conditions regarding the property that would make it more or less marketable. We also considered the documentation provided by the contractor for the preparation of the report to be good and valid, making it possible to reconcile it with the inspected property.
5. We have not carried out detailed measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the title documents and official site plans handed to us are correct. For calculation purposes, we have adopted the area stated in the documentation provided by the contractor.
6. We considered that the building and operation licenses for the property are regular and in accordance with municipal, state, and federal laws.
7. We have been provided with a legal due diligence report regarding the property interest by the Company's Brazil legal advisor, which contains, *inter alia*, the following:
 - a. The registered owner of the property is Club Med Brasil S.A.; and
 - b. The property is unencumbered, with no mortgages, liens, or judicial restrictions of any kind affecting their ownership, use, or transferability.
8. For the purpose of this report, the property is classified into the group as Group I — held for operation by the Group according to the purpose for which it is held.

VALUATION CERTIFICATE

Part C — Property interests held by the Group in Dominican Republic

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>HKD</i>
4.	Club Med Punta Cana, El Recorrido Road, 11/2da del municipio Higüey, Apt Postal 106, Punta Cana	<p>The property comprises a land with total site area of approximately 30.00 hectares, a resort hotel with total gross floor area of approximately 243,427.00 sq.m. erected thereon which was completed in 1981.</p> <p>The resort hotel provides 652 guest rooms, with ancillary facilities including spa, retail shops, carpark, lounge, restaurants and conference rooms.</p> <p>The locality of the property is a well-developed leisure spot served with public facilities.</p> <p>The property is under fee simple interest.</p>	As at the valuation date, the property was operated by the Group for hotel and resort purpose.	2,159,000,000 (Equivalent to EUR262,289,000)

Notes:

1. According to a copy of the enrollment_No. 406, sheet 248, 25/07/2017, the registered owner of the property is Holiday Village of Punta Cana, S.A., which is a 99.99% interest owned subsidiary of the Company.

The certified and permitted buildings of the property are as follows:

Buildings	Gross floor area <i>(sq.m.)</i>	No. of Storeys	Year of completion
Hotel Building	243,427.00	3	1981

2. The site of the property is zoned as Hotel land use.
3. Our valuation has been made on the following basis and analysis:

In undertaking our valuation process, we have valued the property as fully operational and going concern hotel. Our assumptions and forecast were mainly based on the Group's actual operational data and market statistics, which we have subsequently reviewed and adjusted, assumes the absence of policy changes or unforeseen events that could impact the local economy.

Major parameters adopted based on the market condition are summarized as follow:

Stabilized Growth Rate: 1%.

Terminal Capitalization Rate: 9.4%.

Discount Rate: 10.4%.

The discount rate reflects the inherent risk associated with hotel investment. It incorporates a risk premium for the forecast cash flow realization, taking into account the risk-free rate and the expected stabilized growth rate, plus a risk rate inherent to the country where the hotel is located.

4. We considered the information provided by the Group to be truthful and accurate and presumed that there are no obscure or non-apparent conditions regarding the property that would make it more or less marketable. We also considered the documentation provided by the contractor for the preparation of the report to be good and valid, making it possible to reconcile it with the inspected property.
5. We have not carried out detailed measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the title documents and official site plans handed to us are correct. For calculation purposes, we have adopted the area stated in the documentation provided by the contractor.
6. We considered that the building and operation licenses for the property are regular and in accordance with municipal, state, and federal laws.
7. We have been provided with a legal due diligence report regarding the property interest by the Company's Dominican Republic legal advisor, which contains, *inter alia*, the following:
 - a. The property is currently registered under the name of the entity Holiday Village of Punta Cana, S.A. ("**Holiday Village**"); and
 - b. The Official Certificate of Legal Status for the property confirms that the property is free from any encumbrances, liens, mortgages, rights of limitation, or any provisional measures or rulings.
8. For the purpose of this report, the property is classified into the group as Group I — held for operation by the Group according to the purpose for which it is held.

VALUATION CERTIFICATE

Part D — Property interests held by the Group in Mexico

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>HKD</i>
5.	Club Med Ixtapa Pacific, Boulevard Ixtapa S/N km.3, Zona Hotelera II, Ixtapa Zihuatanejo, Guerrero, Mexico	<p>The property comprises a land with total site area of approximately 126,147.16 sq.m., a resort hotel with total gross floor area of approximately 33,600 sq.m. erected thereon which was completed in 1981.</p> <p>The resort hotel provides 292 guest rooms, with ancillary facilities including spa, retail shops, carpark, lounge, restaurants and conference rooms.</p> <p>The locality of the property is a well-developed leisure spot served with public facilities.</p> <p>The property is under fee simple interest.</p>	As at the valuation date, the property was operated by the Group for hotel and resort purpose.	<p>384,000,000</p> <p>(Equivalent to EUR46,651,000)</p>

Notes:

1. According to a copy of the enrollment No. 50,053, 09/10/1996, the registered owner of the property is Ixtapa Property S. de R.L. de C.V. which is a 99.99% interest owned subsidiary of the Company.
2. The site of the property is zoned as Hotel land use.
3. Our valuation has been made on the following basis and analysis:

In undertaking our valuation process, we have valued the property as fully operational and going concern hotel. Our assumptions and forecast were mainly based on the Group's actual operational data and market statistics, which we have subsequently reviewed and adjusted, assumes the absence of policy changes or unforeseen events that could impact the local economy.

Major parameters adopted based on the market condition are summarized as follow:

Stabilized Growth Rate: 1%.

Terminal Capitalization Rate: 9.2%.

Discount Rate: 10.2%.

The discount rate reflects the inherent risk associated with hotel investment. It incorporates a risk premium for the forecast cash flow realization, taking into account the risk-free rate and the expected stabilized growth rate, plus a risk rate inherent to the country where the hotel is located.

4. We considered the information provided by the Group to be truthful and accurate and presumed that there are no obscure or non-apparent conditions regarding the property that would make it more or less marketable. We also considered the documentation provided by the contractor for the preparation of the report to be good and valid, making it possible to reconcile it with the inspected property.
5. We have not carried out detailed measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the title documents and official site plans handed to us are correct. For calculation purposes, we have adopted the area stated in the documentation provided by the contractor.
6. We considered that the building and operation licenses for the property are regular and in accordance with municipal, state, and federal laws.
7. We have been provided with a legal due diligence report regarding the property interest by the Company's Mexico legal advisor, which contains, *inter alia*, the following:
 - a. Ixtapa Property. S. de R.L. de C.V. ("IPSRL"), is the owner of the property; and
 - b. The documentation provided for our review does not reflect any encumbrances, liens, mortgages or limitations of ownership rights over the property.
8. For the purpose of this report, the property is classified into the group as "Group I — held for operation by the Group" by the according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>HKD</i>
6.	Club Med Cancun, Boulevard Kukulkan km.21, Zona Hotelera Punta Nizúc, Cancun, Quintana, Mexico	The property comprises a land with total site area of approximately 72,614.328 sq.m., a resort hotel with total gross floor area of approximately 91,767.01 sq.m. erected thereon which was completed in 1976. The resort hotel provides 495 guest rooms, with ancillary facilities including spa, retail shops, carpark, lounge, restaurants and conference rooms. The locality of the property is a well-developed leisure spot served with public facilities. The property is under fee simple interest.	As at the valuation date, the property was operated by the Group for hotel and resort purpose.	1,558,700,000 (Equivalent to EUR189,364,000)

Notes:

1. According to a copy of the enrollment No. 240, 11/08/1994, the registered owner of the property is Villa Playa Blanca S.A. de L.V. and Cancun Property S. de R.L. de C.V. which is a 99.99% interest owned subsidiary of the Company.

The certified and permitted buildings of the property are as follows:

Buildings	Gross floor area <i>(sq.m.)</i>	No. of Storeys	Year of completion
Hotel Building	91,767.01	3	1976

2. The site of the property is zoned as Hotel land use.
3. Our valuation has been made on the following basis and analysis:

In undertaking our valuation process, we have valued the property as fully operational and going concern hotel. Our assumptions and forecast were mainly based on the Group's actual operational data and market statistics, which we have subsequently reviewed and adjusted, assumes the absence of policy changes or unforeseen events that could impact the local economy.

Major parameters adopted based on the market condition are summarized as follow:

Stabilized Growth Rate: 1%.

Terminal Capitalization Rate: 9.2%.

Discount Rate: 10.2%.

The discount rate reflects the inherent risk associated with hotel investment. It incorporates a risk premium for the forecast cash flow realization, taking into account the risk-free rate and the expected stabilized growth rate, plus a risk rate inherent to the country where the hotel is located.

4. We considered the information provided by the Group to be truthful and accurate and presumed that there are no obscure or non-apparent conditions regarding the property that would make it more or less marketable. We also considered the documentation provided by the contractor for the preparation of the report to be good and valid, making it possible to reconcile it with the inspected property.
5. We have not carried out detailed measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the title documents and official site plans handed to us are correct. For calculation purposes, we have adopted the area stated in the documentation provided by the contractor.
6. We considered that the building and operation licenses for the property are regular and in accordance with municipal, state, and federal laws.
7. We have been provided with a legal due diligence report regarding the property interest by the Company's Mexico legal advisor, which contains, *inter alia*, the following:
 - a. Villa Playa Blanca, S.A. de L.V. ("VPB") is the owner of the land of the property and Cancun Property, S. de R.L. de C.V. ("CPSRL") is the owner of the constructions on the land lot of the property; and
 - b. The documentation provided for our review does not reflect any encumbrances, liens, mortgages or limitations of ownership rights over the property.
8. For the purpose of this report, the property is classified into the group as "Group I — held for operation by the Group" according to the purpose for which it is held.

VALUATION CERTIFICATE

Part E — Property interest held by the Group in France

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>HKD</i>
7.	Lieu dit Les Isles, Quartier du Sporting, 05240 La Salle Les Alpes, France	<p>The property comprises a land with total site area of approximately 1,778 sq.m., a staff accommodation building and ancillary facilities with a total gross floor area of approximately 1,068 sq.m. erected thereon which was completed in 1998.</p> <p>The building comprises a ground floor with two floors and a partial third attic floor — facades with balconies facing south/west.</p> <p>The property is located in one of Europe's largest ski areas, with transport links provided by public transportation, notably the "La Salle les Alpes — Fréjus — Prélong" shuttle station located approximately 900 meters away.</p> <p>The property is under fee simple interest.</p>	As at the valuation date, the property was self-occupied by the Group for staff accommodation purpose.	<p>33,800,000</p> <p>(Equivalent to EUR4,110,000)</p>

Notes:

1. Pursuant to a copy of the property deed no.2228204 dated 3 December 2002, the registered owner of the property is Club Méditerranée (now known as Club Med SAS), which is a 99.99% interest owned subsidiary of the Company.
2. The site of the property is zoned as Residential land use.
3. We considered the information provided by the Group to be truthful and accurate and presumed that there are no obscure or non-apparent conditions regarding the property that would make it more or less marketable. Upon review of the title documents and information provided by the Company, we are of the view that the inspected property to be free of mortgages, seizures, usufructs, liens, environmental liabilities, or any encumbrances or problems that would adversely affect its value. We also considered the documentation provided by the contractor for the preparation of the report to be good and valid, making it possible to reconcile it with the inspected property.

4. We have identified and analyzed recent market sales evidences of similar properties to compare with the property under assessment. The unit price of these comparable properties ranges from EUR3,325 to EUR5,746 per sq.m. on gross floor area basis. Appropriate adjustments and analysis are considered to the differences in several aspects including time and physical characteristics between the comparable properties and the property to arrive at the market value of the property. Based on the analysis of the comparable properties, the adjusted average unit rate for the market value of the property is approximately EUR4,182 per sq.m.

5. For the purpose of this report, the property is classified into the group as “Group II — held for self-occupation by the Group” according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>HKD</i>
8.	La Rosière.-route du Golf, 73700, Montvalezan — French Alps, France	<p>The property comprises 13 chalet units located within the Club Med La Rosière Resort — French Alps, with a total gross floor area of approximately 922.78 sq.m.</p> <p>The property is located within the Franco-Italian ski area of La Rosière — Espace San Bernardo, offering a privileged access to the ski area, with links provided by public transports, especially the S80 shuttle linking Montvalezan to La Rosière.</p> <p>The locality of the property is a well-developed leisure spot served with public facilities.</p> <p>The property is under fee simple interest.</p>	As at the valuation date, the property was vacant.	<p>99,300,000</p> <p>(Equivalent to EUR12,060,000)</p>

Notes:

- Pursuant to a copy of the property deed dated 26 October 2021, the registered owner of the property is Club Med Property La Rosière, which is a 99.99% interest owned subsidiary of the Company.
- The site of the property is zoned as Hotel land use.
- We have identified and analyzed recent market sales evidence of similar properties to compare with the property under assessment. The unit price of these comparable properties ranges from EUR7,080 per sq.m. to EUR16,942 per sq.m.. Appropriate adjustments and analysis are considered to the differences in several aspects including time and physical characteristics between the comparable properties and the property to arrive at the market value of the property. Based on the analysis of the comparable properties, the adjusted average unit rate for the market value of the property is approximately EUR13,069 per sq.m..
- We considered the information provided by the Group to be truthful and accurate and presumed that there are no obscure or non-apparent conditions regarding the property that would make it more or less marketable. Upon review of the title documents and information provided by the Company, we are of the view that the inspected property to be free of mortgages, seizures, usufructs, liens, environmental liabilities, or any encumbrances or problems that would adversely affect its value. We also considered the documentation provided by the contractor for the preparation of the report to be good and valid, making it possible to reconcile it with the inspected property.
- For the purpose of this report, the property is classified into the group as “Group IV — held for sale by the Group” according to the purpose for which it is held.

VALUATION CERTIFICATE

Part F — Property interest held by the Group in Guadeloupe (an overseas department and region of France)

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>HKD</i>
9.	Santa Anne, Pointe-A-Pitre, Guadeloupe Island	The property comprises a land with total site area of approximately 43,296.91 sq.m. The property is located at the east side of Sainte Anne, Pointe-A-Pitre, Guadeloupe Island. The locality of the property is served with public facilities. The property is under fee simple interest.	As at the valuation date, the property was vacant.	68,500,000 (Equivalent to EUR8,316,000)

Notes:

1. According to a copy of the cadastral document ANF 2024-05315742, the registered owner of the property is Societe Hoteliere du Chablais, which is a 99.99% interest owned subsidiary of the company.
2. The property site is divided into commercial land and hotel.
3. We considered the information provided by the Group to be truthful and accurate and presumed that there are no obscure or non-apparent conditions regarding the property that would make it more or less marketable. Upon review of the title documents and information provided by the Company, we are of the view that the inspected property to be free of mortgages, seizures, usufructs, liens, environmental liabilities, or any encumbrances or problems that would adversely affect its value. We also considered the documentation provided by the contractor for the preparation of the report to be good and valid, making it possible to reconcile it with the inspected property.
4. We have identified and analyzed recent market sales evidences of similar properties to compare with the property under assessment. The unit price of these comparable properties ranges from EUR160 to EUR220 per sq.m. on gross floor area basis. Appropriate adjustments and analysis are considered to the differences in several aspects including time and physical characteristics between the comparable properties and the property to arrive at the market value of the property. Based on the analysis of the comparable properties, the adjusted average unit rate for the market value of the property is approximately EUR192 per sq.m.
5. For the purpose of this report, the property is classified into the group as “Group III — held for future development by the Group” according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>HKD</i>
10.	Commune Deshaies, Pointe-A-Pitre, Guadeloupe Island	<p>The property comprises a land with total site area of approximately 4,545.27 sq.m.</p> <p>The property is located at the side of Commune Deshaies, Pointe-A-Pitre, Guadeloupe Island. The locality of the property is served with public facilities.</p> <p>The property is under fee simple interest.</p>	As at the valuation date, the property was vacant.	6,400,000 (Equivalent to EUR775,000)

Notes:

1. According to a copy of the cadastral document ANF 2024-05315742, the registered owner of the property is Societe Hoteliere du Chablais, which is a 99.99% interest owned subsidiary of the Company.
2. We considered the information provided by the Group to be truthful and accurate and presumed that there are no obscure or non-apparent conditions regarding the property that would make it more or less marketable. Upon review of the title documents and information provided by the Company, we are of the view that the inspected property to be free of mortgages, seizures, usufructs, liens, environmental liabilities, or any encumbrances or problems that would adversely affect its value. We also considered the documentation provided by the contractor for the preparation of the report to be good and valid, making it possible to reconcile it with the inspected property.
3. We have identified and analyzed recent market sales evidences of similar properties to compare with the property under assessment. The unit price of these comparable properties ranges from EUR145 to EUR195 per sq.m. on gross floor area basis. Appropriate adjustments and analysis are considered to the differences in several aspects including time and physical characteristics between the comparable properties and the property to arrive at the market value of the property. Based on the analysis of the comparable properties, the adjusted average unit rate for the market value of the property is approximately EUR171 per sq.m.
4. For the purpose of this report, the property is classified into the group as “Group III — held for future development by the Group” according to the purpose for which it is held.

VALUATION CERTIFICATE

Part G — Property interest held by the Group in Italy

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>HKD</i>
11.	Frazione San Sicario, Cesana Torinese (TO), Italy	The property comprises 55 parcels of land with total site area of approximately 46,901 sq.m. The property is located at the eastern side of Frazione S. Sicario Alta Street, Frazione San Sicario, Cesana Torinese (TO). The locality of the property is a well-developed leisure spot served with public facilities. The property is under fee simple interest.	As at the valuation date, the property was vacant.	135,100,000 (Equivalent to EUR16,415,000)

Notes:

- Pursuant to copy of the Dichiarazione di Rogito dated 28 July 2022, issued by notary Lorenzo Bigiotto and registered by the Italian Revenue Agency (Agenzia delle Entrate) as of 2 August 2022, the registered owner of the property is Club Med SAS, which is a 99.99% interest owned subsidiary of the Company.
- The site of the property is zoned as Hotel/Residential land use.
- We have identified and analyzed recent market sales evidence of similar properties to compare with the property under assessment. The unit price of these comparable properties ranges from EUR110 per sq.m. to EUR540 per sq.m.. Appropriate adjustments and analysis are considered to the differences in several aspects including time and physical characteristics between the comparable properties and the property to arrive at the market value of the property. Based on the analysis of the comparable properties, the adjusted average unit rate for the market value of the property is approximately EUR350 per sq.m..
- We considered the information provided by the Group to be truthful and accurate and presumed that there are no obscure or non-apparent conditions regarding the property that would make it more or less marketable. Upon review of the title documents and information provided by the Company, we are of the view that the inspected property to be free of mortgages, seizures, usufructs, liens, environmental liabilities, or any encumbrances or problems that would adversely affect its value. We also considered the documentation provided by the contractor for the preparation of the report to be good and valid, making it possible to reconcile it with the inspected property.
- For the purpose of this report, the property is classified into the group as “Group III — held for future development by the Group” according to the purpose for which it is held.

The following is the text of the letter, a summary of valuations and the valuation report prepared for the purpose of incorporation in this Scheme Document received from PPC International Sdn Bhd, an independent property valuer, in connection with its opinion of value of the Properties as of 30 November 2024.



The Board of Directors
Fosun Tourism Group
Room 808 & 2101-06,
ICBC Tower,
3 Garden Road,
Central, Hong Kong

10 February 2025

Dear Sirs,

In accordance with your instructions to value the property interests held by **Fosun Tourism Group** (the “**Company**”) and its subsidiaries (hereinafter together referred to as the “**Group**”) in Malaysia, we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion on the market values of the property interests as at 30 November 2024 (the “**valuation date**”).

Our valuation is carried out on a market value basis. Market value 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”.

We have valued property nos. 2 and 3 by the comparison approach assuming sale of the property interests in their existing states with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the market. This approach rests on the wide acceptance of the market transactions as the best indicator and pre-supposes that evidence of relevant transactions in the market place can be extrapolated to similar properties, subject to allowances for variable factors.

We have valued property no.1 the Discounted Cash Flow (“**DCF**”) approach. The DCF approach is adopted by discounting future net cash flow of the property to its present value by using an appropriate discount rate that reflects the rate of return required by a third party investor for an investment of this type. In the analysis, we incorporated an assumed 10-year holding period and the reversionary value in year eleven and discounted by an appropriate discount rate to derive a net present value. The projections in the discounted cash flow have been prepared for valuation purposes and not as a business plan forecast.

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interests valued nor for any expense 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 an onerous nature, which could affect their values.

In valuing the property interests, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; Rule 11 of the Code on Takeovers and Mergers issued by Securities and Futures Commission; the RICS Valuation — Global Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors, Malaysian Valuation Standards (MVS) and the International Valuation Standards published by the International Valuation Standards Council.

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy and all other relevant matters.

We have been shown copies of title documents, quit rent, assessment and other documents, relating to the property interests and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the property interests in all countries and any material encumbrance that might be attached to the property interests or any tenancy amendment. We have relied considerably on the legal opinion given by the Company's Malaysia Legal Advisor — LEE & POH PARTNERSHIP, concerning the validity of the property interests in Malaysia.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the properties. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects is satisfactory. Moreover, no structural survey has been

made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

Inspection of the properties was carried out in December 2024 by a technical staff being Mrs. Nor Ainura binti Ahmed Azhar who has more than 8 years' experience in the valuation of properties in Malaysia.

As at the Valuation Date, unless otherwise stated, the monetary stated in our valuations are in Hong Kong Dollar (“**HKD**”) in respect of the property held by the Group. The exchange rate adopted in our valuation is HKD1 = Malaysian Ringgit (“**MYR**”) 0.5712.

As advised by the Group, the potential tax liabilities would arise on the disposal of the property interests. The tax liabilities mainly comprise the following:

1. Real Property Gains Tax (RPGT) at 10%–30%(depending on the years of ownership).
2. Stamp duty on the greater of consideration or the market value at progressive rate ranging from 1%–4% depending on the value of the property.

In respect of the properties held by the Group for occupation and operation and for future development, the likelihood of the relevant tax liabilities crystallizing is remote as the Group has no plans for the disposal of such properties yet.

Our summary of values and valuation certificates are attached below for your attention.

Yours faithfully,
For and on behalf of
PPC INTERNATIONAL SDN BHD

DATUK Sr SIDSAPEAN SITTAMPALAM
B. Sc. (Est. Mgt.) UK, MBA (Real Est.) Sydney
FRICS, FRISM, FPEPS, FMIPFM, ICVS
Chartered Surveyor (FRICS 0081654), Registered Valuer (V-292)
Managing Director

Notes:

Datuk Sr Sidsapesan Sittampalam is an experienced Chartered Surveyor who has more than 35 years' experience in the valuation of various sectors of the property industry in Malaysia.

SUMMARY OF VALUES

Group I: Property interest held for self-occupation and operation by the Group in Malaysia

No.	Property	Market value in existing state as at the valuation date HKD
1.	Club Med Cherating, HVOM 29th miles Jalan Kuantan -Kemaman Pahang Darul Makmur, Jalan Kuantan Sungai Lembing, 26080 Kuantan, Pahang, Malaysia	282,000,000
	Sub-total:	<u>282,000,000</u>

Group II: Property interests held for future development by the Group in Malaysia

No.	Property	Market value in existing state as at the valuation date HKD
2.	PN 27236, Lot No. 109345, Locality and Mukim Sungai Karang, District of Kuantan, State of Pahang Darul Makmur, Country of Malaysia	67,200,000
3.	PN 7781, Lot No. 8893, Locality and Mukim Sungai Karang, District of Kuantan, State of Pahang Darul Makmur, Country of Malaysia	68,800,000
	Sub-total:	<u>136,000,000</u>
	Grand-total:	<u>418,000,000</u>

VALUATION CERTIFICATE

Group I: Property interest held for operation by the Group

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>HKD</i>
1.	Club Med Cherating, HVOM 29th miles Jalan Kuantan -Kemaman Pahang Darul Makmur, Jalan Kuantan Sungai Lembing, 26080 Kuantan, Pahang, Malaysia	<p>The property occupies a parcel of land with a site area of approximately 547,099.49 sq.m. and has been developed into a 4-star resort. The property is completed in 1979 and refurbished in 2017.</p> <p>The property comprises 297 guestrooms with a total gross floor area of approximately 37,237 sq.m. with ancillary facilities including dining areas, boutique shop, theatre, activity centers and leisure facilities, such as saunas, swimming pools, and a children's club.</p> <p>The locality of the property is a well-developed leisure area, enjoying direct beachfront access and unobstructed views of the South China Sea.</p> <p>The property is held under leasehold interests. The land use rights of the property have been granted for a term of 99-years expiring on 10 October 2075 (remaining unexpired term of approximately 51 years) for the purposes of Building (Commercial use).</p>	As at the valuation date, the property was operated by the Group for resort purpose.	282,000,000 (Equivalent to MYR161,100,000)

Notes:

- Pursuant to a copy of the Registered Document of Title dated 12 December 2024, the registered owner of the property is Holiday Villages Of Malaysia Sdn Bhd, which is a 99.99% interest owned subsidiary of the Company.
- The site of the property is zoned as Commercial land use.

3. According to copy of the Registered Document of Title dated 12 December 2024, issued by the Pahang Registry of Land Titles, the salient points of this certificate is summarized below:

- *The land user (registered proprietor): Holiday Villages Of Malaysia Sdn Bhd*
- *Location: PN 27235, Lot No. 109344, Township of Sungai Karang, District of Kuantan, State of Pahang Darul Makmur, Country of Malaysia*
- *Total land area: 547,099.49 sq.m.*
- *Land use purpose: Commercial land*
- *Land use form: Leasehold land*
- *Land tenure: Leasehold expiring on 10 October 2075*

4. Pursuant to a copy of the Certificate of Fitness for Occupation vide Reference No. 17/006 dated 18 December 2017 issued the Kuantan Municipal Council.

The certified and permitted buildings on the property consist of multiple low-rise structures seamlessly integrated into the natural surroundings, with a total gross floor area of approximately 37,237 sq.m., including facilities and amenities.

5. Our valuation has been made on the following basis and analysis:

In undertaking our valuation process, we have adopted the discounted cash flow (“DCF”) approach to value the resort portion of the property. We have prepared a 10-year cash flow forecast with reference to the current and anticipated market condition. Our assumptions and forecast mainly based on the actual operating data and the market statistics data. More details are shown below:

Major parameters adopted based on the market condition are summarized as follow:

Stabilized Growth Rate: 2.00%.

Terminal Capitalization Rate: 8.50%.

Discount Rate: 10.50%.

The discount rate reflects the inherent risk associated with resort investment. It incorporates a risk premium for the forecast cash flow realization, taking into account the risk-free rate and the expected stabilized growth rate, plus a risk rate inherent to the country where the resort is located.

6. We have been provided with a legal due diligence report regarding the property interest by the Company’s Malaysia legal advisor, which contains, *inter alia*, the following:

- a. Holiday Villages of Malaysia Sdn. Bhd. is the registered owner of the land of the property. There is no details of any property built thereon the land of the property as Malaysia does not have a separate house registration system; and
- b. The land of the property is not subject to any encumbrances, including any mortgage, charge, lease, trust and private caveat.

7. For the purpose of this report, the property is classified into the group as “Group I — held for operation by the Group” according to the purpose for which it is held.

VALUATION CERTIFICATE

Group II: Property interest held for future development by the Group

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>HKD</i>
2.	PN 27236, Lot No. 109345, Locality and Mukim Sungai Karang, District of Kuantan, State of Pahang Darul Makmur, Country of Malaysia	<p>The property is located on the eastern side of Jalan Kuantan-Kemaman, Pahang Darul Makmur, in the locality and Mukim of Sungai Karang, District of Kuantan. It is situated in a well-developed leisure area, enjoying direct beachfront access and unobstructed views of the South China Sea.</p> <p>The property is a parcel of land with a site area of approximately 103,599.90 sq.m.</p> <p>During the inspection, the entire land area is currently vacant and available for development.</p> <p>The property is held under leasehold interests. The land use rights of the property have been granted for a term of 99-years expiring on 10 October 2075 (remaining unexpired term of approximately 51 years) for the purposes of Building (Commercial use).</p> <p>Our verbal investigations with the Municipal Council of Kuantan revealed that the property is zoned for commercial use with a maximum permissible plot ratio of 4.</p>	As at the valuation date, the property was vacant.	<p>67,200,000</p> <p>(Equivalent to MYR38,400,000)</p>

Notes:

1. Pursuant to copies of the Registered Document of Titles dated 12 December 2024, issued by the Pahang Registry of Land Titles, the salient points of these certificates summarized below are common unless otherwise stated:
 - *The land user (registered proprietor): Holiday Villages Of Malaysia Sdn Bhd*
 - *Location: PN 27236, Lot No. 109345, Locality and Mukim Sungai Karang, District of Kuantan, State of Pahang Darul Makmur, Country of Malaysia*
 - *Land area: 103,599.90 sq.m.*
 - *Land use purpose: Commercial land*
 - *Land use form: Leasehold land*
 - *Land tenure: Leasehold expiring on 10 October 2075*
2. Our valuation has been made on the following basis and analysis:

We have identified and analyzed recent market sales evidences of similar properties to compare with the property under assessment. The unit price of these comparable properties ranges from HKD465 per sq.m. to HKD1,856 per sq.m. Appropriate adjustments and analysis are considered to the differences in several aspects including time, location, physical characteristics (i.e. lot configuration/shape, size and benefit of beachfront), tenure and development density/plot ratio, between the comparable properties and the property to arrive at the market value of the property. Based on the analysis of the comparable properties, the adjusted average unit rate for the market value of the property is approximately HKD649 per sq.m..
3. We have been provided with a legal due diligence report regarding the property interest by the Company's Malaysia legal advisor, which contains, *inter alia*, the following:
 - a. Holiday Villages of Malaysia Sdn. Bhd. is the registered owner of the property; and
 - b. The property is not subject to any encumbrances, including any mortgage, charge, lease, trust and private caveat.
4. For the purpose of this report, the properties are classified into the group as "Group II — held for future development by the Group" according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>HKD</i>
3.	PN 7781, Lot No. 8893, Locality and Mukim Sungai Karang, District of Kuantan, State of Pahang Darul Makmur, Country of Malaysia	<p>The property is located on the eastern side of Jalan Kuantan-Kemaman, Pahang Darul Makmur, in the locality and Mukim of Sungai Karang, District of Kuantan. It is situated in a well-developed leisure area.</p> <p>The property is a parcel of land with a site area of approximately 132,500.00 sq.m.</p> <p>During the inspection, the entire land area is currently vacant and available for development.</p> <p>The property is held under grant-in-perpetuity (commonly referred to as “freehold interest”) for purposes of Building (Recreation use).</p> <p>Our verbal investigations with the Municipal Council of Kuantan revealed that the property is zoned for commercial use with a maximum permissible plot ratio of 4.</p>	As at the valuation date, the property was vacant.	68,800,000 (Equivalent to MYR39,300,000)

Notes:

- Pursuant to copies of the Registered Document of Titles dated 12 December 2024, issued by the Pahang Registry of Land Titles, the salient points of these certificates summarized below are common unless otherwise stated:
 - The land user (registered proprietor): Holiday Villages Of Malaysia Sdn Bhd*
 - Location: PN 7781, Lot No. 8893, Locality and Mukim Sungai Karang, District of Kuantan, State of Pahang Darul Makmur, Country of Malaysia*
 - Land area: 132,500.00 sq.m.*

- *Land use purpose: Commercial land*
 - *Land use form: Grant-in-perpetuity (commonly referred to as “freehold”)*
2. Our valuation has been made on the following basis and analysis:
 3. We have identified and analyzed recent market sales evidences of similar properties to compare with the property under assessment. The unit price of these comparable properties ranges from HKD465 per sq.m. to HKD1,856 sq.m. Appropriate adjustments and analysis are considered to the differences in several aspects including time, location, physical characteristics (i.e. lot configuration/shape, size and benefit of beachfront), tenure and development density/plot ratio, between the comparable properties and the property to arrive at the market value of the property. Based on the analysis of the comparable properties, the adjusted average unit rate for the market value of the property is approximately HKD519 per sq.m..
 4. We have been provided with a legal due diligence report regarding the property interest by the Company’s Malaysia legal advisor, which contains, *inter alia*, the following:
 - a. Holiday Villages of Malaysia Sdn. Bhd. is the registered owner of the property; and
 - b. The property is not subject to any encumbrances, including any mortgage, charge, lease, trust and private caveat.
 5. For the purpose of this report, the properties are classified into the group as “Group II — held for future development by the Group” according to the purpose for which it is held.

The following is the text of the letter, a summary of valuations and the valuation report prepared for the purpose of incorporation in this Scheme Document received from KJPP Wiseso dan Rekan, an independent property valuer, in connection with its opinion of value of the Properties as of 30 November 2024.

KJPP Wiseso dan Rekan

Property Valuation and Consultancy Services

KJPP License No.2.24.0182 (working area throughout Indonesia)

Jalan Bulungan No.12 (Unit D - Level 3), Jakarta 12160 - Indonesia



Report No.: 00

10 February 2025

To:

The Board of Directors

Fosun Tourism Group

Room 808 & 2101-06,

ICBC Tower,

3 Garden Road,

Central, Hong Kong

Dear Sirs,

In accordance with your instructions to value the property leasehold interests held by **Fosun Tourism Group** (the “**Company**”) and its subsidiaries (hereinafter together referred to as the “**Group**”) in Indonesia, we confirm that we have carried out inspections, made relevant inquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion on the Market Values of the property’s leasehold interest as at 30 November 2024 (the “**Valuation Date**”).

Our valuation is carried out on a Market Value basis. Market Value 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 arms-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

We have valued the property interest by using the Discounted Cash Flow (“**DCF**”) Method. The DCF Method is adopted by discounting the future net cash flow of the property to its present value by using an appropriate discount rate that reflects the rate of return required by a third-party investor for an investment of this type. In the analysis, we incorporated a 10-year holding period until the expiry of the leasehold interest. The projections in the discounted cash flow have been prepared for valuation purposes and not as a business plan forecast.

Our valuation has been made on the assumption that the seller sells the property’s leasehold interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the property leasehold interest.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interest being valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

In valuing the property's leasehold interest, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; Rule 11 of the Code on Takeovers and Mergers issued by Securities and Futures Commission; the RICS Valuation — Global Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors, the International Valuation Standards published by the International Valuation Standards, and the 2018 Seventh Edition of the Indonesia Valuation Standards (SPI).

We have relied to a very considerable extent on the information given by the Group and have accepted the advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy and all other relevant matters.

We have been shown copies of the Land Utilization and Development Agreement (LUDA) dated 15 March 1984, LUDA Amendment 1 dated 4 October 1990, LUDA Amendment 2 dated 16 January 2013, LUDA Amendment 3 dated 3 June 2014, and the land title certificate of *Hak Guna Bangunan/HGB* No. 7539/Benoa held by PT Bali Holiday Village relating to the property's leasehold interest and have made relevant enquiries. We have relied considerably on the legal opinion given by the Company's Indonesia Legal Advisor — Al Hakim Hanafiah, S.H., LL.M., concerning the validity of the property interest in Indonesia.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the property. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects is satisfactory. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

Inspection of the property was carried out in December 2024 by Mr. Ahmad Zaky who has more than 8 years' experience in the valuation of properties in Indonesia.

As at the Valuation Date, unless otherwise stated, the monetary stated in our valuation is in Hong Kong Dollar (“**HKD**”) in respect of the property held by the Group. The exchange rate adopted in our valuation is HKD1 = Indonesian Rupiah (“**IDR**”) 2,036.13.

As advised by the Group, the potential tax liabilities would arise on the disposal of the property interests. The tax liabilities mainly comprise the following:

1. Value Added Tax (VAT) at a rate of 11% starting 1 April 2022 and will increase to 12% starting from 1 January 2025.
2. Luxury-goods sales tax (LST) is levied at 20% on apartments, condominiums, town houses of the type of strata title, and those of similar type and luxury houses and townhouses of non-strata title type with a sale price of 30 billion IDR or more.
3. Transfer tax at 2.5% based on the transaction value. The acquirer is liable for duty on the acquisition of land and building rights (Bea Pengalihan Hak atas Tanah dan Bangunan or BPHTB) at a maximum of 5% of the greater of the transaction value or the government-determined value.
4. Stamp duty at the rate of IDR10,000 for each document.

In respect of the property held by the Group for operation, the likelihood of the relevant tax liabilities crystallizing is remote as the Group has no plans for the disposal of such property yet.

Our valuation certificate is attached below for your attention.

Yours faithfully,
for and on behalf of
KJPP Wiseso dan Rekan
Company license No.2.24.0182
(from the Minister of Finance of Indonesia)

Bayu Rachmad Wiseso, MAPPI (Cert.)
Managing Partner

Certified Property Valuer License No.P-1.08.00015
(from the Minister of Finance of Indonesia)

Property Valuer Registration No.STTD.PP-30/PM.2/2018
(in the Indonesia Financial Services Authority/OJK)

Member No.00-S-01316
(of the Indonesia Society of Appraisers/MAPPI)

Notes:

Bayu Rachmad Wiseso is an experienced Chartered Surveyor who has more than 26 years' experience in the valuation of various sectors of the property industry in Indonesia.

VALUATION CERTIFICATE

Property interests held by the Group for operation in Indonesia

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at the valuation date <i>HKD</i>
Club Med Bali, which is located at Lot 6 of Nusa Dua BTDC Tourism Complex, Raya Nusa Dua Selatan Road, Bena Sub-District, Kuta Selatan District, Badung Regency, Bali Province Country of Indonesia	<p>The property occupies a leasehold land with a total site area of approximately 146,329 sq.m., a resort with total gross floor area of approximately 42,064 sq.m. erected thereon which started operation in 1986.</p> <p>The property provides 393 guest rooms with various facilities including resort back of house, spa, retail shops, tennis court, golf court, padel court, squash court, bar and lounge, pools, restaurants, meeting rooms.</p> <p>The leasehold will expiry on 14 March 2034 based on the Land Utilization and Development Agreement (LUDA) dated 15 March 1984, LUDA Amendment 1 dated 4 October 1990, LUDA Amendment 2 dated 16 January 2013, LUDA Amendment 3 dated 3 June 2014, and the land title certificate of <i>Hak Guna Bangunan/HGB</i> No. 7539/Benoa.</p>	As at the Valuation Date, the property was operated by the Group for resort purpose.	<p>239,700,000</p> <p>(Equivalent to IDR488,000,000,000)</p>

Notes:

1. Pursuant to a copy of Building Use No. 7539/Benoa dated 28 May 2019, the registered owner of the property is PT Bali Holiday Village, which is a 99.99% interest owned subsidiary of the Company.
2. The site of the property is zoned as Hotel land use.
3. According to copy of the Building Use No. 7539/Benoa dated 28 May 2019, issued by the District Land Office of Badung, the salient points of this certificate are summarized below:
 - *The land user: PT Bali Holiday Resort.*

- Location: Registration Map Number: 50.1-24.042-01-1, Benoa Village, Kuta Selatan Sub-District, Badung District, Bali Province
 - Total land area: 146,320 sq.m.
 - Land use purpose: Hotel and Holiday Resort.
 - Land use form: Leasehold land.
 - Land tenure: Expiring on 14 March 2034.
4. According to copy of the Building Construction Permit (locally term Izin Mendirikan Bangunan) No 773/IMB/DPMPSTSP/2021 dated 31 May 2021 issued the Head of the Badung Regency Investment and One-Stop Integrated Service Office (*Kepala Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu Kabupaten Badung*). The certified and permitted building of the property are as follows:

No.	Buildings	Gross floor area (sq.m.)	No. of Storeys	Year of completion
1	Building Area	42,064.00	(not stated in the document)	(not stated in the document)
	Total	<u>42,064.00</u>		

5. Our valuation has been made on the following basis and analysis:

In undertaking our valuation process, we have adopted the discounted cash flow (“DCF”) approach to value the resort portion of the property. We have prepared a 10-year cash flow forecast until the expiry of the leasehold interest with reference to the current and anticipated market condition. Our assumptions and forecast mainly based on the actual operating data and the market statistics data. More details are shown below:

Major parameters adopted based on the market condition are summarized as follow:

Stabilized Growth Rate: 2.5%.

Terminal Capitalization Rate: Since the property’s leasehold will expire in March 2034, therefore, we are not applying a terminal Capitalization Rate in the DCF.

Discount Rate: 11.7%.

The discount rate reflects the inherent risk associated with resort investment. It incorporates a risk premium for the forecast cash flow realization, taking into account the risk-free rate and the expected stabilized growth rate, plus a risk rate inherent to the country where the resort is located.

6. We have been provided with a legal due diligence report regarding the property interest by the Company’s Indonesia legal advisor, which contains, *inter alia*, the following:
- a. PT Bali Holiday Village is the registered holder of the land title of the property;
 - b. The type of land title is Right to Build (Hak Guna Bangunan — “HGB”) which remains valid until 14 March 2034; and
 - c. There is no land mortgage encumbered on the land of the property.

The following is the full text of the letter prepared for the purpose of incorporation in this Scheme Document received from Ernst & Young, Certified Public Accountants, Hong Kong, in connection with its profit estimate of the Company for the year ended 31 December 2024.



Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道979號
太古坊一座27樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

The Board of Directors
Fosun Tourism Group
Harneys Fiduciary (Cayman) Limited, 4th Floor, Harbour Place
103 South Church Street, P.O. Box 10240
Grand Cayman KY1-1002
Cayman Islands

Dear Sirs,

Fosun Tourism Group (the “Company”) and its subsidiaries (the “Group”)

Profit estimate for the year ended 31 December 2024

We refer to the estimate of the net profit/loss attributable to equity holders of the Company for the year ended 31 December 2024 (“**the Profit Estimate**”) set forth in the announcement of the Company dated 28 January 2025 (the “**Announcement**”) in relation to the unaudited results of the Group for the year ended 31 December 2024. The Profit Estimate is required to be reported on under Rule 10 of the Code on Takeovers and Mergers issued by the Securities and Futures Commission.

Directors’ responsibilities

The Profit Estimate has been prepared by the directors of the Company based on the unaudited consolidated results of the Group for the year ended 31 December 2024 as shown in the management accounts of the Group for the year ended 31 December 2024.

The Company’s directors are solely responsible for the Profit Estimate.

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 Hong Kong Institute of Certified Public Accountants (“**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*, 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 Accountants' Responsibilities

Our responsibility is to express an opinion on the accounting policies and calculations of the Profit Estimate based on our procedures.

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500 *Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness* and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Company's directors have properly compiled the Profit Estimate in accordance with the bases adopted by the directors and as to whether the Profit Estimate is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

Opinion

In our opinion, so far as the accounting policies and calculations are concerned, the Profit Estimate has been properly compiled in accordance with the bases adopted by the directors as set out in the Announcement and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the audited consolidated financial statements of the Group for the year ended 31 December 2023.

Yours faithfully,

Certified Public Accountants
Hong Kong

The following is the full text of the letter prepared for the purpose of incorporation in this Scheme Document received from Deutsche Bank, in connection with its profit estimate of the Company for the year ended 31 December 2024.

Deutsche Bank



Deutsche Bank AG, Hong Kong Branch
Level 60
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

Tel: +852 2203 8888
Fax: +852 2203 7300

10 February 2025

The Board of Directors

Fosun Tourism Group (the “**Company**”, together with its subsidiaries, the “**Group**”)

Room 808 & 2101–06,
ICBC Tower,
3 Garden Road,
Central,
Hong Kong

Dear Sirs,

We refer to (i) the scheme document of the Company dated 10 February 2025 (the “**Scheme Document**”); and (ii) the profit warning announcement of the Company dated 28 January 2025 in relation to the unaudited consolidated financial results of the Group for the year ended 31 December 2024 (the “**Profit Estimate**”). Capitalised terms used in this letter shall have the same meanings as those defined in the Scheme Document, unless the context requires otherwise.

The Profit Estimate is regarded as a profit forecast under the Takeovers Code and is required to be reported on pursuant to Rule 10 of the Takeovers Code.

The Profit Estimate was prepared by the Directors based on the unaudited consolidated management accounts of the Group for year ended 31 December 2024, which had not been confirmed, audited or reviewed by the auditors of the Company and may differ from figures in the audited consolidated financial statements for the year ended 31 December 2024 of the Company.

We have reviewed and discussed with the Company the bases upon which the Profit Estimate was prepared. We have also considered the letter issued by Ernst & Young dated 10 February 2025 in relation to the Profit Estimate. Based on the letter issued by Ernst &

Young, the text of which is set out in Appendix V of the Scheme Document, so far as the accounting policies and calculations are concerned, the Profit Estimate has been properly compiled in accordance with the bases adopted by the directors as set out in the Profit Warning Announcement and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the audited consolidated financial statements of the Group for the year ended 31 December 2023.

We have not independently verified the Profit Estimate or the underlying computations. We have assumed all information, materials and representations provided to us by the Company were true, accurate, complete and not misleading at the relevant time and remained so up to the date of this letter. We have also assumed that no material information has been omitted or withheld from the information and materials supplied to us. No representation or warranty is made by us on the truth, accuracy or completeness of such information, materials or representations.

Having considered the above and on the basis that the Directors are satisfied there are no further matters which should be brought to our attention, we are satisfied that the Profit Estimate, which the Directors are solely responsible for, has been prepared by the Directors with due care and consideration.

This letter is issued for the sole purpose of reporting to the Directors pursuant to Rule 10 of the Takeovers Code.

Yours faithfully,
For and on behalf of
Deutsche Bank AG, Hong Kong Branch

Rohit Satsangi
Managing Director

David Xiong
Managing Director

**IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION**

Cause No. FSD 0005 of 2025

**IN THE MATTER OF SECTION 86 OF THE COMPANIES ACT (2023 REVISION) (AS
REVISED)**

**AND IN THE MATTER OF ORDER 102 OF THE GRAND COURT RULES 2023 (AS
REVISED)**

AND IN THE MATTER OF FOSUN TOURISM GROUP

**SCHEME OF ARRANGEMENT
Between
FOSUN TOURISM GROUP
And
THE SCHEME SHAREHOLDERS
(AS DEFINED BELOW)**

(A) In this Scheme, unless inconsistent with the subject or context, the following expressions shall bear the following meanings:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Cancellation Price”	the cancellation price of HK\$7.80 for the cancellation of each Scheme Share payable in cash by the Company to the Scheme Shareholders pursuant to the Scheme
“Companies Act”	the Companies Act (2023 Revision) (As Revised) of the Cayman Islands
“Company”	Fosun Tourism Group, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1992)

“Company Concert Parties”	persons who are acting in concert or presumed to be acting in concert with the Company under the Takeovers Code, including: (a) the Controlling Shareholders; (b) the Directors and the FIL Directors (together with their close relatives, related trusts and companies controlled by any of them, their close relatives or related trusts); (c) the Share Award Trustee; and (d) members of the Deutsche Bank group and the Fosun International Capital group (except in the capacity of exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purpose of the Takeovers Code)
“Condition(s)”	the condition(s) to the implementation of the Proposal and the Scheme as set out in the section headed “3. <i>Conditions of the Proposal and the Scheme</i> ” in the Explanatory Memorandum
“Controlling Shareholders”	Fosun International, FHL and FIHL
“Court Meeting”	a meeting of the Scheme Shareholders to be convened at the direction of the Grand Court at 3:00 p.m. on Tuesday, 4 March 2025 at which the Scheme (with or without modification) will be voted upon, or any adjournment thereof
“Director(s)”	the director(s) of the Company
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Act and the Conditions
“EGM”	an extraordinary general meeting of the Company to be held at 3:30 p.m. on Tuesday, 4 March 2025 (or as soon as practicable after the conclusion or adjournment of the Court Meeting) for the purpose of approving, among other things, the reduction of the issued share capital of the Company as a result of the cancellation of the Scheme Shares; and the implementation of the Scheme
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate(s) of the Executive Director
“Explanatory Memorandum”	the explanatory memorandum set out in Part VI of the Scheme Document
“FHL”	Fosun Holdings Limited, a company incorporated in Hong Kong with limited liability, 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
“FIL Directors”	the directors of Fosun International, being the executive directors, namely Mr. Guo Guangchang, Mr. Wang Qunbin, Mr. Chen Qiyu, Mr. Xu Xiaoliang, Mr. Gong Ping, Mr. Huang Zhen and Mr. Pan Donghui; the non-executive directors, namely Mr. Yu Qingfei, Mr. Li Shupeí and Mr. Li Fuhua; and the independent non-executive directors, namely Mr. Zhang Shengman, Mr. Zhang Huaqiao, Mr. David T. Zhang, Dr. Lee Kai-Fu and Ms. Tsang King Suen Katherine
“Fosun International”	Fosun International Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 0656), and one of the Controlling Shareholders
“Grand Court”	the Grand Court of the Cayman Islands
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Financial Adviser”	Altus Capital Limited, a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the independent financial adviser to advise the Disinterested Shareholders and the Share Incentive Holders as to: (i) whether the terms of the Proposal, the Scheme, the Share Incentive Proposal and the Controlling Shareholders Rollover Arrangement are, or are not, fair and reasonable; and (ii) whether (a) the Disinterested Shareholders are to vote in favour of the Scheme at the Court Meeting and the resolutions in connection with the implementation of the Proposal at the EGM; and (b) the Share Incentive Holders are to accept the Share Incentive Proposal
“Latest Practicable Date”	7 February 2025, being the latest practicable date for ascertaining certain information contained in the Scheme Document

“Long Stop Date”	10 June 2025, or such later date as may be determined by the Company or, to the extent applicable, as the Grand Court may direct and in all cases, as permitted by the Executive and consented to by Deutsche Bank
“PRC”	the People’s Republic of China, but for the purpose of the Scheme Document only, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Proposal”	the proposal for the privatisation of the Company by way of the Scheme, and the withdrawal of the listing of the Shares from the Stock Exchange, on the terms and subject to the Conditions set out in this Scheme Document
“Record Date”	17 March 2025, or such other date as shall have been announced to the Shareholders, being the record date for the purpose of determining the entitlements of the Scheme Shareholders under the Scheme
“Scheme”	the scheme of arrangement under section 86 of the Companies Act for the implementation of the Proposal
“Scheme Document”	the composite scheme document of the Company containing, among other things, further details of the Proposal and the Share Incentive Proposal and the Scheme
“Scheme Share(s)”	the Share(s) in issue on the Record Date, other than the Shares held by the Controlling Shareholders
“Scheme Shareholder(s)”	the registered holder(s) of the Scheme Share(s) as at the Record Date
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Award Trustee”	Bank of Communications Trustee Limited, the trustee appointed to hold Shares pending the vesting of 2019 Share Units and 2024 Share Units granted pursuant to the 2019 Share Award Plan and 2024 Share Award Plan
“Share Incentive Proposal”	has the meaning ascribed to it in the Scheme Document, details of which are set out in the section headed “4. <i>Share Incentive Proposal</i> ” in the Explanatory Memorandum

“Share Incentive(s)”	any Pre-IPO Share Option(s), 2019 Share Option(s), 2019 Share Unit(s), 2024 Share Option(s) and/or 2024 Share Unit(s) (as the case may be)
“Share(s)”	share(s) with a nominal value of EUR0.0001 each in the share capital of the Company
“Shareholder(s)”	the registered holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers issued by the SFC in Hong Kong as amended from time to time
“Trustee Allocated Scheme Shares”	the Scheme Shares held by the Share Award Trustee on trust for certain employees of the Group, which are the underlying Shares in respect of certain vested Share Incentives which have not yet been transferred from the Share Award Trustee to such employees due to administrative reasons, being 15,000 Shares in aggregate as at the Latest Practicable Date representing approximately 0.0012% of the issued share capital of the Company
“Trustee Scheme Shares”	the Scheme Shares held by the Share Award Trustee, including the Trustee Allocated Scheme Shares and the Trustee Unallocated Scheme Shares
“Trustee Unallocated Scheme Shares”	the Shares held by the Share Award Trustee for the purposes of satisfying future grants or vesting of 2019 Share Units and 2024 Share Units. As at the Latest Practicable Date, the Share Award Trustee does not hold any Trustee Unallocated Scheme Shares

- (B)** Capitalised terms used herein but not otherwise defined shall have the same meaning ascribed to them in the Scheme Document.
- (C)** The Company was incorporated as an exempted company on 30 September 2016 with limited liability in the Cayman Islands.
- (D)** As at the Latest Practicable Date, the authorised share capital of the Company was EUR1,000,000 divided into 10,000,000 ordinary shares of a single class with a par value of EUR0.0001 each. As at the Latest Practicable Date, the issued share capital of the Company was EUR124,476.8113 divided into 1,244,768,113 Shares, with the remainder being unissued. Since 14 December 2018, the issued shares of the Company have been listed and traded on the Main Board of the Stock Exchange.
- (E)** The Board has proposed the privatisation of the Company by way of the Scheme.

- (F) The primary purpose of the Scheme is to privatise the Company as a result of cancelling all of the Scheme Shares in consideration of the Cancellation Price so that the Company will be owned as to approximately 98.44% and 1.56% by Fosun International and FHL, respectively. The issued capital of the Company will be reduced by cancelling the Scheme Shares and the credit created as a result of the cancellation of the Scheme Shares will be credited to a distributable reserve of the Company.
- (G) The table below sets out the shareholding structure of the Company as at the Latest Practicable Date and immediately following completion of the Proposal, assuming that: (a) no further Shares will be issued and no further Share Incentives will be granted on or before the Record Date; and (b) there will be no other change in the shareholding of the Company before the Effective Date:

Shareholders	As at the Latest Practicable Date		Immediately following completion of the Proposal	
	Number of Shares	Total number of Shares in issue (%) ⁽⁷⁾	Number of Shares	Total number of Shares in issue (%) ⁽⁷⁾
(A) Controlling Shareholders⁽¹⁾				
Fosun International	971,949,202	78.08	971,949,202	98.44
FHL	15,389,930	1.24	15,389,930	1.56
Sub-total	987,339,132	79.32	987,339,132	100.00
(B) Directors of the Company (subject to the Scheme)⁽²⁾				
Xu Xiaoliang ⁽³⁾	511,528	0.04	—	—
Xu Bingbin ⁽³⁾	444,200	0.04	—	—
Choi Yin On ⁽³⁾	245,200	0.02	—	—
Pan Donghui ⁽³⁾	149,000	0.01	—	—
Huang Zhen ⁽³⁾	124,000	0.01	—	—
Sub-total	1,473,928	0.12	—	—
(C) FIL Directors (subject to the Scheme)⁽⁴⁾				
Chen Qiyu	501,478	0.04	—	—
Gong Ping	200,988	0.02	—	—
Sub-total	702,466	0.06	—	—
(D) Share Award Trustee (subject to the Scheme)⁽⁶⁾				
	15,000	0.0012	—	—
(E) Company Concert Parties (A) + (B) + (C) + (D)⁽⁵⁾				
	989,530,526	79.50	987,339,132	100.00
(F) Disinterested Shareholders				
	255,237,587	20.50	—	—
Total number of Shares in issue (E) + (F)				
	1,244,768,113	100.00	987,339,132	100.00

Notes:

1. Fosun International is a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 0656). Fosun International is owned as to approximately 72.76% by FHL, which is a company incorporated in the Hong Kong with limited liability. FHL is in turn wholly-owned by FIHL, which is a company incorporated in the British Virgin Islands with limited liability, the equity interest of which is held as to 85.29% by Guo Guangchang. Shares in which Fosun International and FHL are interested will not form part of the Scheme Shares and will not be cancelled.
2. Xu Xiaoliang, Xu Bingbin and Choi Yin On are the executive Directors of the Company, and Pan Donghui and Huang Zhen are the non-executive Directors of the Company.
3. The number of Shares in which each of the Directors of the Company is interested does not include any Share Incentives.
4. Chen Qiyu and Gong Ping are executive directors of Fosun International.
5. Deutsche Bank is the lead financial adviser to the Company in connection with the Proposal and the Share Incentive Proposal. Accordingly, Deutsche Bank and the relevant members of the Deutsche Bank group which hold Shares on an own account basis or manage Shares on a discretionary basis are presumed to be acting in concert with the Company in relation to the Company in accordance with class (5) of the definition of “acting in concert” under the Takeovers Code (except in respect of the Shares held by members of the Deutsche Bank group which are exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purposes of the Takeovers Code). Members of the Deutsche Bank group which are exempt principal traders and exempt fund managers which are connected for the sole reason that they control, are controlled by or are under the same control as Deutsche Bank are not presumed to be acting in concert with the Company.

As of the Latest Practicable Date, members of the Deutsche Bank group (other than exempt principal traders and exempt fund managers) do not legally or beneficially own, control, or have direction over any Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

Fosun International Capital is the joint financial adviser to the Company in connection with the Proposal and the Share Incentive Proposal. As of the Latest Practicable Date, Fosun International Capital does not legally or beneficially own, control, or have direction over any Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

6. As at the Latest Practicable Date, the Share Award Trustee holds 15,000 Trustee Scheme Shares (representing approximately 0.0012% of the issued share capital of the Company). Further details are set out in the section headed “4. *Share Incentive Proposal*” of the Explanatory Memorandum. As the Share Award Trustee is presumed to be acting in concert with the Company in relation to the Company in accordance with class (3) of the definition of “acting in concert” under the Takeovers Code, and pursuant to Rule 17.05A of the Listing Rules and the rules of the Pre-IPO Share Option Scheme, 2019 Share Option Scheme and 2019 Share Award Plan, the Share Award Trustee shall not exercise the voting rights attached to the Shares held by it.
7. All percentages in the above table are approximations and rounded to the nearest 2 decimal places and the aggregate percentages may not add up due to rounding of the percentages to 2 decimal places.

- (H) Each of the Controlling Shareholders, the Directors who hold Shares in the Company, the FIL Directors who hold Shares in the Company, and the Share Award Trustee, as Company Concert Parties, have provided an undertaking to the Grand Court not to attend and vote at the Court Meeting. These Company Concert Parties have also undertaken to the Grand Court to be bound by the Scheme, so as to ensure that they will comply with and be subject to the terms and conditions of the Scheme.

THE SCHEME

PART I

CANCELLATION AND EXTINGUISHMENT OF THE SCHEME SHARES

1. On the Effective Date:
 - (a) all Scheme Shares shall be cancelled and extinguished and the issued share capital of the Company will be reduced by cancelling the Scheme Shares; and
 - (b) the credit arising as a result of the cancellation of the Scheme Shares shall be credited to a distributable reserve account of the Company.

PART II

CONSIDERATION FOR CANCELLATION AND EXTINGUISHMENT OF THE SCHEME SHARES

2. In consideration of the cancellation of the Scheme Shares, the Company shall pay or cause to be paid the Cancellation Price to each Scheme Shareholder.

PART III

GENERAL

3. (a) As soon as possible but in any event within seven business days (as defined in the Takeovers Code) following the Effective Date, the Company shall post or cause to be posted cheques to the Scheme Shareholders in respect of the sums payable to such Scheme Shareholders entitled thereto pursuant to paragraph 2 of the Scheme.
- (b) If any severe weather condition is in effect at 12:00 noon and/or thereafter on Wednesday, 26 March 2025, the latest time to despatch cheques for cash payment of the Cancellation Price to the Scheme Shareholders under the Scheme may be postponed to the next business day (that does not have any severe weather condition at 12:00 noon or thereafter), i.e. Thursday, 27 March 2025 (or a later date that does not have any severe weather condition at 12:00 noon or thereafter).

For the purpose of this paragraph, “severe weather” refers to the scenario where a tropical cyclone warning signal number 8 or above is hoisted, or “extreme conditions” announced by the Hong Kong Government or a black rainstorm warning is/are in force in Hong Kong. All such cheques shall be sent by ordinary post in postage pre-paid envelopes addressed to such Scheme Shareholders at their respective registered addresses as appearing in the register of members of the

Company as at the Record Date, or in the case of joint holders, at the registered address appearing in the register of members of the Company as at the Record Date of the joint holder whose name then stands first in the register of members of the Company in respect of the relevant joint holding.

- (c) All cheques shall be made payable to the order of the person or persons to whom, in accordance with the provisions of paragraph 3(b) of the Scheme, the envelope containing the same is addressed and the encashment of any such cheque shall be a good discharge to the Company for the moneys represented thereby.
- (d) All such cheques shall be posted at the risk of the addressees and none of the Company, Deutsche Bank, Fosun International Capital, the Independent Financial Adviser and the share registrar of the Company and their respective nominees, directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal shall be liable for any loss or delay in despatch.
- (e) On or after the day being six calendar months after the posting of the cheques pursuant to paragraph 3(c) of the Scheme, the Company shall have the right to cancel or countermand payment of any such cheque which has not been cashed or has been returned uncashed, and shall place all monies represented thereby in a deposit account in the name of the Company with a licensed bank selected by the Company. The Company shall hold such monies until the expiry of six years from the Effective Date and shall, prior to such date, make payments therefrom of the sums payable pursuant to paragraph 2 of the Scheme to persons who satisfy the Company that they are respectively entitled thereto, provided that the cheques referred to in the foregoing sentence of which they are payees have not been cashed. Any payments made by the Company shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to the Scheme, and are subject to, if applicable, the deduction of interest, tax or any withholding tax or any other deduction required by law. The Company shall exercise its absolute discretion in determining whether or not it is satisfied that any person is so entitled, and a certificate of the Company to the effect that any particular person is so entitled or not so entitled, as the case may be, shall be conclusive and binding upon all persons claiming an interest in the relevant monies.
- (f) On the expiry of six years from the Effective Date, the Company shall be released from any further obligation to make any payments under the Scheme and the Company shall be absolutely entitled to the balance (if any) of the sums then standing to the credit of the deposit account referred to in paragraph 3(e) of the Scheme, including accrued interest subject to any deduction required by law and any expenses incurred.
- (g) Paragraph 3 shall take effect subject to any prohibition or condition imposed by law.

4. As from and including the Effective Date:
 - (a) all certificates for the Scheme Shares shall cease to have effect as documents or evidence of title for such Scheme Shares and every holder thereof shall be bound, at the request of the Company, to deliver up such certificates to the Company or to any person appointed by the Company to receive the same for cancellation;
 - (b) all instruments of transfer validly subsisting as at the Record Date in respect of the transfer of any number of the Scheme Shares shall cease to be valid for all purposes as instruments of transfer; and
 - (c) all mandates or other instructions to the Company in force as at the Record Date in relation to any of the Scheme Shares shall cease to be valid as effective mandates or instructions.
5. Subject to the Conditions having been fulfilled or waived, as applicable, the Scheme shall become effective as soon as a copy of the order of the Grand Court sanctioning the Scheme under section 86 of the Companies Act has been delivered to the Registrar of Companies in the Cayman Islands for registration pursuant to section 86(3) of the Companies Act.
6. Unless the Scheme shall have become effective on or before the Long Stop Date, the Scheme shall lapse.
7. The Company may consent for and on behalf of all parties concerned to any modification of or addition to the Scheme or to any condition which the Grand Court may see fit to approve or impose.
8. All costs, charges and expenses shall be borne and paid in the manner described in the Scheme Document.

Amended and Restated Articles of Association of

Fosun Tourism Group

复星旅游文化集团

Grand Cayman

Cayman Islands

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THE COMPANIES ACT (REVISED)

AMENDED AND RESTATED

ARTICLES OF ASSOCIATION

OF

Fosun Tourism Group

复星旅游文化集团

(Adopted by a special resolution passed on 4 March 2025)

TABLE A

The regulations in Table A in the First Schedule to the Act (as defined below) do not apply to the Company.

INTERPRETATION

1. DEFINITIONS

1.1. In these articles, the following words and expressions shall, where not inconsistent with the context, have the following meanings, respectively:

Act	the Companies Act of the Cayman Islands;
Alternate Director	an alternate director appointed in accordance with these Articles;
Articles	these Articles of Association as altered from time to time;
Auditor	the person or firm for the time being appointed as Auditor of the Company and shall include an individual or partnership;
Board	the board of directors (including, for the avoidance of doubt, a sole director) appointed or elected pursuant to these Articles and acting at a meeting of directors at which there is a quorum or by written resolution in accordance with these Articles;

Cancellation Price under the Scheme	the cancellation price under the scheme of arrangement of the Company under section 86 of the Act which was effective on 17 March 2025, being HK\$7.8 per share;
Company	the company for which these Articles are approved and confirmed;
Director	a director, including a sole director, for the time being of the Company and shall include an Alternate Director;
Member	the person registered in the Register of Members as the holder of shares in the Company and, when two or more persons are so registered as joint holders of shares, means the person whose name stands first in the Register of Members as one of such joint holders or all of such persons, as the context so requires;
month	calendar month;
notice	written notice as further provided in these Articles unless otherwise specifically stated;
Officer	any person appointed by the Board to hold an office in the Company;
ordinary resolution	a resolution passed at a general meeting (or, if so specified, a meeting of Members holding a class of shares) of the Company by a simple majority of the votes cast, or a written resolution passed by the unanimous consent of all Members entitled to vote;
paid-up	paid-up or credited as paid-up;
Register of Directors and Officers	the register of directors and officers referred to in these Articles;
Register of Members	the register of members maintained by the Company in accordance with the Act;
Seal	the common seal or any official or duplicate seal of the Company;
Secretary	the person appointed to perform any or all of the duties of secretary of the Company and includes any deputy or assistant secretary and any person appointed by the Board to perform any of the duties of the Secretary;
share	includes a fraction of a share;

Pre-Scheme Share Incentive Plans	any of the following: <ul style="list-style-type: none">(i) the rules on the pre-IPO share option scheme adopted by the Company on 29 November 2017;(ii) the rules on the share award plan adopted by the Board and which became effective on 19 August 2019;(iii) the rules on the share option scheme approved by the shareholders of the Company and which became effective on 27 November 2019;(iv) the rules on the share award plan approved by the shareholders of the Company and which became effective on 14 May 2024; and(v) the rules on the share option scheme approved by the shareholders of the Company and which became effective on 14 May 2024;
Pre-Scheme Share Incentives	any share option or share unit granted by the Company pursuant to any of the Pre-Scheme Share Incentive Plans;
Special Resolution	<ul style="list-style-type: none">(i) a resolution passed by a majority of at least two-thirds of such members as, being entitled to do so, vote in person or by proxy at a general meeting of which notice specifying the intention to propose a resolution as a special resolution has been duly given (and for the avoidance of doubt, unanimity qualifies as a majority); or(ii) a written resolution passed by unanimous consent of all Members entitled to vote;
written resolution	a resolution passed in accordance with Article 40 or 66; and
year	calendar year.

1.2. In these Articles, where not inconsistent with the context:

- (a) words denoting the plural number include the singular number and vice versa;
- (b) words denoting the masculine gender include the feminine and neuter genders;
- (c) words importing persons include companies, associations or bodies of persons whether corporate or not;

- (d) the words:
 - (i) “may” shall be construed as permissive; and
 - (ii) “shall” shall be construed as imperative;
 - (e) a reference to statutory provision shall be deemed to include any amendment or re-enactment thereof;
 - (f) the word “corporation” means corporation whether or not a company within the meaning of the Act; and
 - (g) unless otherwise provided herein, words or expressions defined in the Act shall bear the same meaning in these Articles.
- 1.3. In these Articles expressions referring to writing or its cognates shall, unless the contrary intention appears, include facsimile, printing, lithography, photography, electronic mail and other modes of representing words in visible form.
- 1.4. Headings used in these Articles are for convenience only and are not to be used or relied upon in the construction hereof.

SHARES

2. POWER TO ISSUE SHARES

Subject to these Articles and to any resolution of the Members to the contrary, and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, the Board shall have the power to issue any unissued shares on such terms and conditions as it may determine and any shares or class of shares (including the issue or grant of options, warrants and other rights, renounceable or otherwise in respect of shares) may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise, provided that no share shall be issued at a discount except in accordance with the Act.

3. REDEMPTION, PURCHASE, SURRENDER AND TREASURY SHARES

- 3.1. Subject to the Act, the Company is authorised to issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or a Member and may make payments in respect of such redemption in accordance with the Act.
- 3.2. The Company is authorised to purchase any share in the Company (including a redeemable share) by agreement with the holder and may make payments in respect of such purchase in accordance with the Act.
- 3.3. The Company authorises the Board to determine the manner or any of the terms of any redemption or purchase.

- 3.4. A delay in payment of the redemption price shall not affect the redemption but, in the case of a delay of more than thirty days, interest shall be paid for the period from the due date until actual payment at a rate which the Board, after due enquiry, estimates to be representative of the rates being offered by Class A banks in the Cayman Islands for thirty day deposits in the same currency.
- 3.5. The Company authorises the Board pursuant to section 37(5) of the Act to make a payment in respect of the redemption or purchase of its own shares otherwise than out of its profits, share premium account, or the proceeds of a fresh issue of shares.
- 3.6. No share may be redeemed or purchased unless it is fully paid-up.
- 3.7. The Company may accept the surrender for no consideration of any fully paid share (including a redeemable share) unless, as a result of the surrender, there would no longer be any issued shares of the company other than shares held as treasury shares.
- 3.8. The Company is authorised to hold treasury shares in accordance with the Act.
- 3.9. The Board may designate as treasury shares any of its shares that it purchases or redeems, or any shares surrendered to it, in accordance with the Act.
- 3.10. Shares held by the Company as treasury shares shall continue to be classified as treasury shares until such shares are either cancelled or transferred in accordance with the Act.

4. RIGHTS ATTACHING TO SHARES

Subject to Article 2, the Memorandum of Association and any resolution of the Members to the contrary and without prejudice to any special rights conferred thereby on the holders of any other shares or class of shares, the share capital of the Company shall be divided into shares of a single class the holders of which shall, subject to these Articles:

- (a) be entitled to one vote per share;
- (b) be entitled to such dividends as the Board may from time to time declare;
- (c) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganisation or otherwise or upon any distribution of capital, be entitled to the surplus assets of the Company; and
- (d) generally be entitled to enjoy all of the rights attaching to shares.

5. CALLS ON SHARES

- 5.1. The Board may make such calls as it thinks fit upon the Members in respect of any monies (whether in respect of nominal value or premium) unpaid on the shares allotted to or held by such Members and, if a call is not paid on or before the day appointed for payment thereof, the Member may at the discretion of the Board be liable to pay the Company interest on the amount of such call at such rate as the Board may determine, from the date when such call was payable up to the actual date of payment. The Board may differentiate between the holders as to the amount of calls to be paid and the times of payment of such calls.
- 5.2. The Company may accept from any Member the whole or a part of the amount remaining unpaid on any shares held by him, although no part of that amount has been called up.
- 5.3. The terms of any issue of shares may include different provisions with respect to different Members in the amounts and times of payments of calls on their shares.

6. JOINT AND SEVERAL LIABILITY TO PAY CALLS

The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

7. FORFEITURE OF SHARES

- 7.1. If any Member fails to pay, on the day appointed for payment thereof, any call in respect of any share allotted to or held by such Member, the Board may, at any time thereafter during such time as the call remains unpaid, direct the Secretary to forward such Member a notice in writing in the form, or as near thereto as circumstances admit, of the following:

Notice of Liability to Forfeiture for Non-Payment of Call

Fosun Tourism Group (the “Company”)

You have failed to pay the call of [amount of call] made on [date], in respect of the [number] share(s) [number in figures] standing in your name in the Register of Members of the Company, on [date], the day appointed for payment of such call. You are hereby notified that unless you pay such call together with interest thereon at the rate of [•] per annum computed from the said [date] at the registered office of the Company the share(s) will be liable to be forfeited.

Dated this [date]

[Signature of Secretary] By Order of the Board

- 7.2. If the requirements of such notice are not complied with, any such share may at any time thereafter before the payment of such call and the interest due in respect thereof be forfeited by a resolution of the Board to that effect, and such share shall thereupon become the property of the Company and may be disposed of as the Board shall determine. Without limiting the generality of the foregoing, the disposal may take place by sale, repurchase, redemption or any other method of disposal permitted by and consistent with these Articles and the Act.
- 7.3. A Member whose share or shares have been so forfeited shall, notwithstanding such forfeiture, be liable to pay to the Company all calls owing on such share or shares at the time of the forfeiture, together with all interest due thereon and any costs and expenses incurred by the Company in connection therewith.
- 7.4. The Board may accept the surrender of any shares which it is in a position to forfeit on such terms and conditions as may be agreed. Subject to those terms and conditions, a surrendered share shall be treated as if it had been forfeited.

8. SHARE CERTIFICATES

- 8.1. Every Member shall be entitled to a certificate under the common seal (if any) or a facsimile thereof of the Company or bearing the signature (or a facsimile thereof) of a Director or the Secretary or a person expressly authorised to sign specifying the number and, where appropriate, the class of shares held by such Member and whether the same are fully paid up and, if not, specifying the amount paid on such shares. The Board may by resolution determine, either generally or in a particular case, that any or all signatures on certificates may be printed thereon or affixed by mechanical means.
- 8.2. If any share certificate shall be proved to the satisfaction of the Board to have been worn out, lost, mislaid, or destroyed the Board may cause a new certificate to be issued and request an indemnity for the lost certificate if it sees fit.
- 8.3. Share certificates may not be issued in bearer form.

9. FRACTIONAL SHARES

The Company may issue its shares in fractional denominations and deal with such fractions to the same extent as its whole shares and shares in fractional denominations shall have in proportion to the respective fractions represented thereby all of the rights of whole shares including (but without limiting the generality of the foregoing) the right to vote, to receive dividends and distributions and to participate in a winding-up.

REGISTRATION OF SHARES

10. REGISTER OF MEMBERS

- 10.1. The Board shall cause to be kept in one or more books a Register of Members which may be kept in or outside the Cayman Islands at such place as the Board shall appoint and shall enter therein the following particulars:
- (a) the name and address of each Member, the number, and (where appropriate) the class of shares held by such Member and the amount paid or agreed to be considered as paid on such shares;
 - (b) whether the shares held by a Member carry voting rights under the Articles and, if so, whether such voting rights are conditional;
 - (c) the date on which each person was entered in the Register of Members; and
 - (d) the date on which any person ceased to be a Member.
- 10.2. The Board may cause to be kept in any country or territory one or more branch registers of such category or categories of members as the Board may determine from time to time and any branch register shall be deemed to be part of the Company's Register of Members.
- 10.3. Any register maintained by the Company in respect of listed shares may be kept by recording the particulars set out in Article 10.1 in a form otherwise than legible if such recording otherwise complies with the laws applicable to and the rules and regulations of the relevant approved stock exchange.

11. REGISTERED HOLDER ABSOLUTE OWNER

- 11.1. The Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not be bound to recognise any equitable claim or other claim to, or interest in, such share on the part of any other person.
- 11.2. No person shall be entitled to recognition by the Company as holding any share upon any trust and the Company shall not be bound by, or be compelled in any way to recognise, (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any other right in respect of any share except an absolute right to the entirety of the share in the holder. If, notwithstanding this Article, notice of any trust is at the holder's request entered in the Register of Members or on a share certificate in respect of a share, then, except as aforesaid:
- (a) such notice shall be deemed to be solely for the holder's convenience;
 - (b) the Company shall not be required in any way to recognise any beneficiary, or the beneficiary, of the trust as having an interest in the share or shares concerned;

- (c) the Company shall not be concerned with the trust in any way, as to the identity or powers of the trustees, the validity, purposes or terms of the trust, the question of whether anything done in relation to the shares may amount to a breach of trust or otherwise; and
- (d) the holder shall keep the Company fully indemnified against any liability or expense which may be incurred or suffered as a direct or indirect consequence of the Company entering notice of the trust in the Register of Members or on a share certificate and continuing to recognise the holder as having an absolute right to the entirety of the share or shares concerned.

12. TRANSFER OF REGISTERED SHARES

12.1. An instrument of transfer shall be in writing in the form of the following, or as near thereto as circumstances admit, or in such other form as the Board may accept:

Transfer of a Share or Shares

Fosun Tourism Group (the “Company”)

FOR VALUE RECEIVED[amount], I, [name of transferor] hereby sell, assign and transfer unto [transferee] of [address], [number] shares of the Company.

DATED this [date]

Signed by:

In the presence of:

Transferor

Witness

Transferee

Witness

12.2. Such instrument of transfer shall be signed by (or in the case of a party that is a corporation, on behalf of) the transferor and transferee, provided that, in the case of a fully paid share, the Board may accept the instrument signed by or on behalf of the transferor alone. The transferor shall be deemed to remain the holder of such share until the same has been transferred to the transferee in the Register of Members.

- 12.3. The Board may refuse to recognise any instrument of transfer unless it is accompanied by the certificate in respect of the shares to which it relates and by such other evidence as the Board may reasonably require showing the right of the transferor to make the transfer.
- 12.4. The joint holders of any share may transfer such share to one or more of such joint holders, and the surviving holder or holders of any share previously held by them jointly with a deceased Member may transfer any such share to the executors or administrators of such deceased Member.
- 12.5. The Board may in its absolute discretion and without assigning any reason therefor refuse to register the transfer of a share. If the Board refuses to register a transfer of any share the Secretary shall, within three months after the date on which the transfer was lodged with the Company, send to the transferor and transferee notice of the refusal.

13. TRANSMISSION OF REGISTERED SHARES

- 13.1. In the case of the death of a Member, the survivor or survivors where the deceased Member was a joint holder, and the legal personal representatives of the deceased Member where the deceased Member was a sole holder, shall be the only persons recognised by the Company as having any title to the deceased Member's interest in the shares. Nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by such deceased Member with other persons. Subject to the provisions of Section 39 of the Act, for the purpose of this Article, legal personal representative means the executor or administrator of a deceased Member or such other person as the Board may, in its absolute discretion, decide as being properly authorised to deal with the shares of a deceased Member.

13.2. Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member may be registered as a Member upon such evidence as the Board may deem sufficient or may elect to nominate some person to be registered as a transferee of such share, and in such case the person becoming entitled shall execute in favour of such nominee an instrument of transfer in writing in the form, or as near thereto as circumstances admit, of the following:

Transfer by a Person Becoming Entitled on Death/Bankruptcy of a Member

Fosun Tourism Group (the “Company”)

I/We, having become entitled in consequence of the [death/bankruptcy] of [name and address of deceased Member] to [number] share(s) standing in the Register of Members of the Company in the name of the said [name of deceased/bankrupt Member] instead of being registered myself/ourselves, elect to have [name of transferee] (the “Transferee”) registered as a transferee of such share(s) and I/we do hereby accordingly transfer the said share(s) to the Transferee to hold the same unto the Transferee, his or her executors, administrators and assigns, subject to the conditions on which the same were held at the time of the execution hereof; and the Transferee does hereby agree to take the said share(s) subject to the same conditions.

DATED this [date]

Signed by:

In the presence of:

Transferor

Witness

Transferee

Witness

13.3. On the presentation of the foregoing materials to the Board, accompanied by such evidence as the Board may require to prove the title of the transferor, the transferee shall be registered as a Member. Notwithstanding the foregoing, the Board shall, in any case, have the same right to decline or suspend registration as it would have had in the case of a transfer of the share by that Member before such Member’s death or bankruptcy, as the case may be.

13.4. Where two or more persons are registered as joint holders of a share or shares, then in the event of the death of any joint holder or holders the remaining joint holder or holders shall be absolutely entitled to the said share or shares and the Company shall recognise no claim in respect of the estate of any joint holder except in the case of the last survivor of such joint holders.

14. LISTED SHARES

- 14.1. Notwithstanding anything to the contrary in these Articles, shares that are listed or admitted to trading on an approved stock exchange may be evidenced and transferred in accordance with the rules and regulations of such exchange.

COMPULSORY ACQUISITION, DRAG ALONG AND TAG ALONG

15. COMPULSORY ACQUISITION

- 15.1. Any shares issued to any person pursuant to the vesting or exercise of any Pre-Scheme Share Incentive granted under any Pre-Scheme Share Incentive Proposal (Post-Scheme Shares) shall be subject to the Company's compulsory acquisition right under this Article 15 (Compulsory Acquisition Right).
- 15.2. The Company shall be entitled, by giving any holder of any Post-Scheme Share at least 3 days' prior notice, to require such holder to immediately transfer all of his/her Post-Scheme Shares to the Company in consideration of and conditional upon the payment by or on behalf of the Company to such holder of an amount in cash for each Post-Scheme Share equal to the consideration to the Cancellation Price under the Scheme.

16. DRAG ALONG

- 16.1. If one or more holder(s) of shares (Transferor) proposes to make a transfer of shares (in one or a series of related transactions) to a bona fide third party transferee (the Transferee) that would result in the Transferee holding at least 50% of the total issued shares of the Company (Change of Control Sale), the Transferor shall have the right, by giving at least 3 days' prior written notice, to require any other holder(s) of shares of the Company (Other Holders) to sell all their shares to the Transferee at the same price per share and on terms that are not more onerous than those to Transferor in any material respect, which shall be completed at the same time as the completion of the Change of Control Sale (Drag Along Right).

17. TAG ALONG

- 17.1. If a Change of Control Sale is proposed to be made by the Transferor to the Transferee and the Transferor elects not to exercise the Drag Along Right with respect to all shares held by the Other Holders, the Transferor shall not complete such Change of Control Sale unless it first ensures that the Transferee makes a separate binding and irrevocable offer to all Other Holders to buy all their remaining shares at the same price per share and on terms that are not more onerous than those to the Transferor in any material respect, which shall be open for acceptance by the Other Holders for at least 3 days. Any transfer of shares from the Other Holders to the Transferee upon acceptance of such offer shall be completed at the same time as the completion of the Change of Control Sale.

18. POWER OF ATTORNEY

- 18.1. Each holder of shares of the Company irrevocably and unconditionally appoints the Company as their attorney and execute, deliver and carry out in their name or otherwise on their behalf all transfers or documents, acts and things which the Company may in its absolute discretion consider necessary or desirable to effect any transfer required as a result of either the Company's exercise of the Compulsory Acquisition Right in accordance with Article 15 above or the Transferor's exercise of the Drag Along Right in accordance with Article 16 above and which any holder of shares is obliged, but fails, to effect in accordance with those Articles. In particular, the Company shall make the relevant inscriptions in the Company's register of shares and its books and records in accordance with applicable laws.
- 18.2. If the Company effects the transfer of shares as attorney for any Other Holders to the Transferee in accordance with Article 16 above, the Company shall hold any consideration received from the Transferee on trust for such Other Holders and shall, as soon as reasonably practicable after receiving instructions from such Other Holders, pay such consideration to the Other Holders in the manner requested by such Other Holders.

ALTERATION OF SHARE CAPITAL

19. POWER TO ALTER CAPITAL

- 19.1. Subject to the Act, the Company may from time to time by ordinary resolution alter the conditions of its Memorandum of Association to:
- (a) increase its capital by such sum divided into shares of such amounts as the resolution shall prescribe or, if the Company has shares without par value, increase its share capital by such number of shares without nominal or par value, or increase the aggregate consideration for which its shares may be issued, as it thinks expedient;
 - (b) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;
 - (c) convert all or any of its paid-up shares into stock, and reconvert that stock into paid-up shares of any denomination;
 - (d) subdivide its shares or any of them into shares of an amount smaller than that fixed by the Memorandum of Association; or
 - (e) cancel shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled or, in the case of shares without par value, diminish the number of shares into which its capital is divided.

- 19.2. For the avoidance of doubt it is declared that paragraph 19.1(b), (c) and (d) do not apply if at any time the shares of the Company have no par value.
- 19.3. Subject to the Act, the Company may from time to time by Special Resolution reduce its share capital.

20. VARIATION OF RIGHTS ATTACHING TO SHARES

If, at any time, the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound-up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a resolution passed by a majority of the votes cast at a separate general meeting of the holders of the shares of the class at which meeting the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class. The rights conferred upon the holders of the shares of any class or series issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class or series, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

DIVIDENDS AND CAPITALISATION

21. DIVIDENDS

- 21.1. The Board may, subject to these Articles and in accordance with the Act, declare a dividend to be paid to the Members, in proportion to the number of shares held by them, and such dividend may be paid in cash or wholly or partly by the distribution of specific assets (which may consist of the shares or securities of any other company).
- 21.2. Where the Board determines that a dividend shall be paid wholly or partly by the distribution of specific assets, the Board may settle all questions concerning such distribution. Without limiting the generality of the foregoing, the Board may fix the value of such specific assets and vest any such specific assets in trustees on such terms as the Board thinks fit.
- 21.3. Dividends may be declared and paid out of profits of the Company, realised or unrealised, or from any reserve set aside from profits which the Board determines is no longer needed, or not in the same amount. Dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Act.
- 21.4. No unpaid dividend shall bear interest as against the Company.
- 21.5. The Company may pay dividends in proportion to the amount paid up on each share where a larger amount is paid up on some shares than on others.

21.6. The Board may declare and make such other distributions (in cash or in specie) to the Members as may be lawfully made out of the assets of the Company. No unpaid distribution shall bear interest as against the Company.

21.7. The Board may fix any date as the record date for determining the Members entitled to receive any dividend or other distribution, but, unless so fixed, the record date shall be the date of the Directors' resolution declaring same.

22. POWER TO SET ASIDE PROFITS

22.1. The Board may, before declaring a dividend, set aside out of the surplus or profits of the Company, such amount as it thinks proper as a reserve to be used to meet contingencies or for equalising dividends or for any other purpose. Pending application, such sums may be employed in the business of the Company or invested, and need not be kept separate from other assets of the Company. The Board may also, without placing the same to reserve, carry forward any profit which it decides not to distribute.

22.2. Subject to any direction from the Company in general meeting, the Board may on behalf of the Company exercise all the powers and options conferred on the Company by the Act in regard to the Company's share premium account.

23. METHOD OF PAYMENT

23.1. Any dividend, interest, or other monies payable in cash in respect of the shares may be paid to such person and in such manner (including, without limitation, cheque, draft, electronic transfer etc.) as the Member may in writing direct.

23.2. In the case of joint holders of shares, any dividend, interest or other monies payable in cash in respect of shares may be paid to such person and in such manner (including, without limitation, cheque, draft, electronic transfer etc.) as the joint holders may in writing direct. If two or more persons are registered as joint holders of any shares any one can give an effectual receipt for any dividend paid in respect of such shares.

23.3. The Board may deduct from the dividends or distributions payable to any Member all monies due from such Member to the Company on account of calls or otherwise.

24. CAPITALISATION

24.1. The Board may capitalise any amount for the time being standing to the credit of any of the Company's share premium or other reserve accounts or to the credit of the profit and loss account or otherwise available for distribution by applying such amount in paying up unissued shares to be allotted as fully paid bonus shares pro rata to the Members.

- 24.2. The Board may capitalise any amount for the time being standing to the credit of a reserve account or amounts otherwise available for dividend or distribution by applying such amounts in paying up in full, partly or nil paid shares of those Members who would have been entitled to such amounts if they were distributed by way of dividend or distribution.

MEETINGS OF MEMBERS

25. ANNUAL GENERAL MEETINGS

The Company may in each year hold a general meeting as its annual general meeting. The annual general meeting of the Company may be held at such time and place as the Chairman of the Company (if there is one) (the “Chairman”) or any two Directors or any Director and the Secretary or the Board shall appoint.

26. EXTRAORDINARY GENERAL MEETINGS

- 26.1. General meetings other than annual general meetings shall be called extraordinary general meetings.
- 26.2. The Chairman or any two Directors or any Director and the Secretary or the Board may convene an extraordinary general meeting whenever in their judgment such a meeting is necessary.

27. REQUISITIONED GENERAL MEETINGS

- 27.1. The Board shall, on the requisition of Members holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up share capital of the Company as at the date of the deposit carries the right to vote at general meetings, forthwith proceed to convene an extraordinary general meeting. To be effective the requisition shall state the objects of the meeting, shall be in writing, signed by the requisitionists, and shall be deposited at the registered office. The requisition may consist of several documents in like form each signed by one or more requisitionists.
- 27.2. If the Board does not, within twenty-one days from the date of the requisition, duly proceed to call an extraordinary general meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene an extraordinary general meeting; but any meeting so called shall not be held more than ninety days after the requisition. An extraordinary general meeting called by requisitionists shall be called in the same manner, as nearly as possible, as that in which general meetings are to be called by the Board.

28. NOTICE

- 28.1. At least five days' notice of an annual general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held and if different, the record date for determining Members entitled to attend and vote at the general meeting, and, as far as practicable, the other business to be conducted at the meeting.
- 28.2. At least five days' notice of an extraordinary general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, time, place and the general nature of the business to be considered at the meeting.
- 28.3. The Board may fix any date as the record date for determining the Members entitled to receive notice of and to vote at any general meeting of the Company but, unless so fixed, as regards the entitlement to receive notice of a meeting or notice of any other matter, the record date shall be the date of despatch of the notice and, as regards the entitlement to vote at a meeting, and any adjournment thereof, the record date shall be the date of the original meeting.
- 28.4. A general meeting shall, notwithstanding that it is called on shorter notice than that specified in these Articles, be deemed to have been properly called if it is so agreed by (i) all the Members entitled to attend and vote thereat in the case of an annual general meeting; and (ii) in the case of an extraordinary general meeting, by seventy-five percent of the Members entitled to attend and vote thereat.
- 28.5. The accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

29. GIVING NOTICE AND ACCESS

- 29.1. A notice may be given by the Company to a Member:
- (a) by delivering it to such Member in person, in which case the notice shall be deemed to have been served upon such delivery; or
 - (b) by sending it by post to such Member's address in the Register of Members, in which case the notice shall be deemed to have been served seven days after the date on which it is deposited, with postage prepaid, in the mail; or
 - (c) by sending it by courier to such Member's address in the Register of Members, in which case the notice shall be deemed to have been served two days after the date on which it is deposited, with courier fees paid, with the courier service; or

- (d) by transmitting it by electronic means (including facsimile and electronic mail, but not telephone) in accordance with such directions as may be given by such Member to the Company for such purpose, in which case the notice shall be deemed to have been served at the time that it would in the ordinary course be transmitted; or
 - (e) by publication of an electronic record of it on a website and notification of such publication (which shall include the address of the website, the place on the website where the document may be found, and how the document may be accessed on the website), such notification being given by any of the methods set out in paragraphs (a) through (d) hereof, in which case the notice shall be deemed to have been served at the time when the instructions for access and the posting on the website are complete.
- 29.2. Any notice required to be given to a Member shall, with respect to any shares held jointly by two or more persons, be given to whichever of such persons is named first in the Register of Members and notice so given shall be sufficient notice to all the holders of such shares.
- 29.3. In proving service under paragraphs 29.1(b), (c) and (d), it shall be sufficient to prove that the notice was properly addressed and prepaid, if posted or sent by courier, and the time when it was posted, deposited with the courier, or transmitted by electronic means.

30. POSTPONEMENT OF GENERAL MEETING

The Board may postpone any general meeting called in accordance with these Articles provided that notice of postponement is given to the Members before the time for such meeting. Fresh notice of the date, time and place for the postponed meeting shall be given to each Member in accordance with these Articles.

31. ELECTRONIC PARTICIPATION IN MEETINGS

Members may participate in any general meeting by such telephonic, electronic or other communication facilities or means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

32. QUORUM AT GENERAL MEETINGS

- 32.1. At any general meeting two or more persons present in person and representing in person or by proxy in excess of 50% of the total issued voting shares in the Company throughout the meeting shall form a quorum for the transaction of business, provided that if the Company shall at any time have only one Member, one Member present in person or by proxy shall form a quorum for the transaction of business at any general meeting held during such time.

32.2. If within half an hour from the time appointed for the meeting a quorum is not present, then, in the case of a meeting convened on a requisition, the meeting shall be deemed cancelled and, in any other case, the meeting shall stand adjourned to the same day one week later, at the same time and place or to such other day, time or place as the Board may determine. Unless the meeting is adjourned to a specific date, time and place announced at the meeting being adjourned, fresh notice of the resumption of the meeting shall be given to each Member entitled to attend and vote thereat in accordance with these Articles.

33. CHAIRMAN TO PRESIDE

Unless otherwise agreed by a majority of those attending and entitled to vote thereat, the Chairman, if there be one, shall act as chairman at all meetings of the Members at which such person is present. In his absence, a chairman of the meeting shall be appointed or elected by those present at the meeting and entitled to vote.

34. VOTING ON RESOLUTIONS

34.1. Subject to the Act and these Articles, any question proposed for the consideration of the Members at any general meeting shall be decided by the affirmative votes of a majority of the votes cast in accordance with these Articles and in the case of an equality of votes the resolution shall fail.

34.2. No Member shall be entitled to vote at a general meeting unless such Member has paid all the calls on all shares held by such Member.

34.3. At any general meeting a resolution put to the vote of the meeting shall, in the first instance, be voted upon by a show of hands and, subject to any rights or restrictions for the time being lawfully attached to any class of shares and subject to these Articles, every Member present in person and every person holding a valid proxy at such meeting shall be entitled to one vote and shall cast such vote by raising his hand.

34.4. At any general meeting if an amendment is proposed to any resolution under consideration and the chairman of the meeting rules on whether or not the proposed amendment is out of order, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.

34.5. At any general meeting a declaration by the chairman of the meeting that a question proposed for consideration has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in a book containing the minutes of the proceedings of the Company shall, subject to these Articles, be conclusive evidence of that fact.

35. POWER TO DEMAND A VOTE ON A POLL

35.1. Notwithstanding the foregoing, a poll may be demanded by the chairman of the meeting or at least one Member.

- 35.2. Where a poll is demanded, subject to any rights or restrictions for the time being lawfully attached to any class of shares, every person present at such meeting shall have one vote for each share of which such person is the holder or for which such person holds a proxy and such vote shall be counted by ballot as described herein, or in the case of a general meeting at which one or more Members are present by telephone, electronic or other communication facilities or means, in such manner as the chairman of the meeting may direct and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded and shall replace any previous resolution upon the same matter which has been the subject of a show of hands. A person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
- 35.3. A poll demanded for the purpose of electing a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and in such manner during such meeting as the chairman of the meeting may direct. Any business other than that upon which a poll has been demanded may be conducted pending the taking of the poll.
- 35.4. Where a vote is taken by poll, each person physically present and entitled to vote shall be furnished with a ballot paper on which such person shall record his vote in such manner as shall be determined at the meeting having regard to the nature of the question on which the vote is taken, and each ballot paper shall be signed or initialled or otherwise marked so as to identify the voter and the registered holder in the case of a proxy. Each person present by telephone, electronic or other communication facilities or means shall cast his vote in such manner as the chairman of the meeting shall direct. At the conclusion of the poll, the ballot papers and votes cast in accordance with such directions shall be examined and counted by a committee of not less than two Members or proxy holders appointed by the chairman of the meeting for the purpose and the result of the poll shall be declared by the chairman of the meeting.

36. VOTING BY JOINT HOLDERS OF SHARES

In the case of joint holders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.

37. INSTRUMENT OF PROXY

- 37.1. An instrument appointing a proxy shall be in writing or transmitted by electronic mail in substantially the following form or such other form as the chairman of the meeting shall accept:

Proxy

Fosun Tourism Group (the “Company”)

I/We, [insert names here], being a Member of the Company with [number] shares, HEREBY APPOINT [name] of [address] or failing him, [name] of [address] to be my/our proxy to vote for me/us at the meeting of the Members to be held on [date] and at any adjournment thereof. [Any restrictions on voting to be inserted here].

Signed this [date]

Member(s)

- 37.2. The instrument of proxy shall be signed or, in the case of a transmission by electronic mail, electronically signed in a manner acceptable to the chairman of the meeting, by the appointor or by the appointor’s attorney duly authorised in writing, or if the appointor is a corporation, either under its seal or signed or, in the case of a transmission by electronic mail, electronically signed in a manner acceptable to the chairman of the meeting, by a duly authorised officer or attorney.
- 37.3. A Member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf in respect of different shares.
- 37.4. The decision of the chairman of any general meeting as to the validity of any appointment of a proxy shall be final.

38. REPRESENTATION OF CORPORATE MEMBER

- 38.1. A corporation which is a Member may, by written instrument, authorise such person or persons as it thinks fit to act as its representative at any meeting and any person so authorised shall be entitled to exercise the same powers on behalf of the corporation which such person represents as that corporation could exercise if it were an individual Member, and that Member shall be deemed to be present in person at any such meeting attended by its authorised representative or representatives.
- 38.2. Notwithstanding the foregoing, the chairman of the meeting may accept such assurances as he thinks fit as to the right of any person to attend and vote at general meetings on behalf of a corporation which is a Member.

39. ADJOURNMENT OF GENERAL MEETING

The chairman of a general meeting may, with the consent of the Members at any general meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting. Unless the meeting is adjourned to a specific date, place and time announced at the meeting being adjourned, fresh notice of the date, place and time for the resumption of the adjourned meeting shall be given to each Member entitled to attend and vote thereat, in accordance with these Articles.

40. WRITTEN RESOLUTIONS

- 40.1. Subject to these Articles, anything which may be done by resolution of the Company in general meeting or by resolution of a meeting of any class of the Members may be done without a meeting by written resolution in accordance with this Article.
- 40.2. A written resolution is passed when it is signed by (or in the case of a Member that is a corporation, on behalf of) all the Members, or all the Members of the relevant class thereof, entitled to vote thereon and may be signed in as many counterparts as may be necessary.
- 40.3. A resolution in writing made in accordance with this Article is as valid as if it had been passed by the Company in general meeting or by a meeting of the relevant class of Members, as the case may be, and any reference in any Article to a meeting at which a resolution is passed or to Members voting in favour of a resolution shall be construed accordingly.
- 40.4. A resolution in writing made in accordance with this Article shall constitute minutes for the purposes of the Act.
- 40.5. For the purposes of this Article, the date of the resolution is the date when the resolution is signed by (or in the case of a Member that is a corporation, on behalf of) the last Member to sign and any reference in any Article to the date of passing of a resolution is, in relation to a resolution made in accordance with this Article, a reference to such date.

41. DIRECTORS ATTENDANCE AT GENERAL MEETINGS

The Directors shall be entitled to receive notice of, attend and be heard at any general meeting.

DIRECTORS AND OFFICERS

42. ELECTION OF DIRECTORS

- 42.1. The Directors shall be elected or appointed in writing in the first place by the subscribers to the Memorandum of Association or by a majority of them. There shall be no shareholding qualification for Directors unless prescribed by Special Resolution.

42.2. The Board may from time to time appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, subject to any upper limit on the number of Directors prescribed pursuant to these Articles.

42.3. The Company may from time to time by ordinary resolution appoint any person to be a Director.

43. NUMBER OF DIRECTORS

The Board shall consist of not less than one Director or such number in excess thereof as the Board may determine.

44. TERM OF OFFICE OF DIRECTORS

An appointment of a Director may be on terms that the Director shall automatically retire from office (unless he has sooner vacated office) at the next or a subsequent annual general meeting or upon any specified event or after any specified period; but no such term shall be implied in the absence of express provision.

45. ALTERNATE DIRECTORS

45.1. At any general meeting, the Members may elect a person or persons to act as a Director in the alternative to any one or more Directors or may authorise the Board to appoint such Alternate Directors.

45.2. Unless the Members otherwise resolve, any Director may appoint a person or persons to act as a Director in the alternative to himself by notice deposited with the Secretary.

45.3. Any person elected or appointed pursuant to this Article shall have all the rights and powers of the Director or Directors for whom such person is elected or appointed in the alternative, provided that such person shall not be counted more than once in determining whether or not a quorum is present.

45.4. An Alternate Director shall be entitled to receive notice of all Board meetings and to attend and vote at any such meeting at which a Director for whom such Alternate Director was appointed in the alternative is not personally present and generally to perform at such meeting all the functions of such Director for whom such Alternate Director was appointed.

45.5. An Alternate Director's office shall terminate -

(a) in the case of an alternate elected by the Members:

(i) on the occurrence in relation to the Alternate Director of any event which, if it occurred in relation to the Director for whom he was elected to act, would result in the termination of that Director; or

- (ii) if the Director for whom he was elected in the alternative ceases for any reason to be a Director, provided that the alternate removed in these circumstances may be re-appointed by the Board as an alternate to the person appointed to fill the vacancy; and
 - (b) in the case of an alternate appointed by a Director:
 - (i) on the occurrence in relation to the Alternate Director of any event which, if it occurred in relation to his appointor, would result in the termination of the appointor's directorship; or
 - (ii) when the Alternate Director's appointor revokes the appointment by notice to the Company in writing specifying when the appointment is to terminate; or
 - (iii) if the Alternate Director's appointor ceases for any reason to be a Director.
- 45.6. If an Alternate Director is himself a Director or attends a Board meeting as the Alternate Director of more than one Director, his voting rights shall be cumulative.
- 45.7. Unless the Board determines otherwise, an Alternate Director may also represent his appointor at meetings of any committee of the Board on which his appointor serves; and the provisions of this Article shall apply equally to such committee meetings as to Board meetings.
- 45.8. Save as provided in these Articles an Alternate Director shall not, as such, have any power to act as a Director or to represent his appointor and shall not be deemed to be a Director for the purposes of these Articles.

46. REMOVAL OF DIRECTORS

The Company may from time to time by ordinary resolution remove any Director from office, whether or not appointing another in his stead.

47. VACANCY IN THE OFFICE OF DIRECTOR

The office of Director shall be vacated if the Director:

- (a) is removed from office pursuant to these Articles;
- (b) dies or becomes bankrupt, or makes any arrangement or composition with his creditors generally;
- (c) is or becomes of unsound mind or an order for his detention is made under the Mental Health Act of the Cayman Islands or any analogous law of a jurisdiction outside the Cayman Islands, or dies; or
- (d) resigns his office by notice to the Company.

48. REMUNERATION OF DIRECTORS

The remuneration (if any) of the Directors shall, subject to any direction that may be given by the Company in general meeting, be determined by the Board as it may from time to time determine and shall be deemed to accrue from day to day. The Directors may also be paid all travel, hotel and other expenses properly incurred by them in attending and returning from Board meetings, any committee appointed by the Board, general meetings, or in connection with the business of the Company or their duties as Directors generally.

49. DEFECT IN APPOINTMENT

All acts done in good faith by the Board, any Director, a member of a committee appointed by the Board, any person to whom the Board may have delegated any of its powers, or any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director or person acting as aforesaid, or that he was, or any of them were, disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director or act in the relevant capacity.

50. DIRECTORS TO MANAGE BUSINESS

The business of the Company shall be managed and conducted by the Board. In managing the business of the Company, the Board may exercise all such powers of the Company as are not, by the Act or by these Articles, required to be exercised by the Company in general meeting subject, nevertheless, to these Articles and the provisions of the Act.

51. POWERS OF THE BOARD OF DIRECTORS

The Board may:

- (a) appoint, suspend, or remove any manager, secretary, clerk, agent or employee of the Company and may fix their remuneration and determine their duties;
- (b) exercise all the powers of the Company to borrow money and to mortgage or charge or otherwise grant a security interest in its undertaking, property and uncalled capital, or any part thereof, and may issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party;
- (c) appoint one or more Directors to the office of managing director or chief executive officer of the Company, who shall, subject to the control of the Board, supervise and administer all of the general business and affairs of the Company;

- (d) appoint a person to act as manager of the Company's day-to-day business and may entrust to and confer upon such manager such powers and duties as it deems appropriate for the transaction or conduct of such business;
- (e) by power of attorney, appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Board, to be an attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) and for such period and subject to such conditions as it may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions so vested in the attorney;
- (f) procure that the Company pays all expenses incurred in promoting and incorporating the Company;
- (g) delegate any of its powers (including the power to sub-delegate) to a committee of one or more persons appointed by the Board and every such committee shall conform to such directions as the Board shall impose on them. Subject to any directions or regulations made by the Board for this purpose, the meetings and proceedings of any such committee shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Board, including provisions for written resolutions;
- (h) delegate any of its powers (including the power to sub-delegate) to any person on such terms and in such manner as the Board may see fit;
- (i) present any petition and make any application in connection with the liquidation or reorganisation of the Company;
- (j) in connection with the issue of any share, pay such commission and brokerage as may be permitted by law; and
- (k) authorise any company, firm, person or body of persons to act on behalf of the Company for any specific purpose and in connection therewith to execute any deed, agreement, document or instrument on behalf of the Company.

52. REGISTER OF DIRECTORS AND OFFICERS

The Board shall keep and maintain a Register of Directors and Officers in accordance with the Act.

53. OFFICERS

The Officers shall consist of a Secretary and such additional Officers as the Board may determine all of whom shall be deemed to be Officers for the purposes of these Articles.

54. APPOINTMENT OF OFFICERS

The Secretary (and additional Officers, if any) shall be appointed by the Board from time to time.

55. DUTIES OF OFFICERS

The Officers shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Board from time to time.

56. REMUNERATION OF OFFICERS

The Officers shall receive such remuneration as the Board may determine.

57. CONFLICTS OF INTEREST

57.1. Any Director, or any Director's firm, partner or any company with whom any Director is associated, may act in any capacity for, be employed by or render services to the Company on such terms, including with respect to remuneration, as may be agreed between the parties. Nothing herein contained shall authorise a Director or a Director's firm, partner or company to act as Auditor to the Company.

57.2. A Director who is directly or indirectly interested in a contract or proposed contract with the Company (an "Interested Director") shall declare the nature of such interest.

57.3. An Interested Director who has complied with the requirements of the foregoing Article may:

- (a) vote in respect of such contract or proposed contract; and/or
- (b) be counted in the quorum for the meeting at which the contract or proposed contract is to be voted on,

and no such contract or proposed contract shall be void or voidable by reason only that the Interested Director voted on it or was counted in the quorum of the relevant meeting and the Interested Director shall not be liable to account to the Company for any profit realised thereby.

58. INDEMNIFICATION AND EXCULPATION OF DIRECTORS AND OFFICERS

58.1. The Directors, Secretary and other Officers (such term to include any person appointed to any committee by the Board) acting in relation to any of the affairs of the Company or any subsidiary thereof, and the liquidator or trustees (if any) acting in relation to any of the affairs of the Company or any subsidiary thereof and every one of them (whether for the time being or formerly) and their heirs, executors, administrators and personal representatives (each an "indemnified party") shall be indemnified and secured harmless out of the assets of the Company from and against

all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and no indemnified party shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any monies or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any monies of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, **PROVIDED THAT** this indemnity shall not extend to any matter in respect of any fraud or dishonesty in relation to the Company which may attach to any of the indemnified parties. Each Member agrees to waive any claim or right of action such Member might have, whether individually or by or in the right of the Company, against any Director or Officer on account of any action taken by such Director or Officer, or the failure of such Director or Officer to take any action in the performance of his duties with or for the Company or any subsidiary thereof, **PROVIDED THAT** such waiver shall not extend to any matter in respect of any fraud or dishonesty in relation to the Company which may attach to such Director or Officer.

- 58.2. The Company may purchase and maintain insurance for the benefit of any Director or Officer against any liability incurred by him in his capacity as a Director or Officer or indemnifying such Director or Officer in respect of any loss arising or liability attaching to him by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which the Director or Officer may be guilty in relation to the Company or any subsidiary thereof.

MEETINGS OF THE BOARD OF DIRECTORS

59. BOARD MEETINGS

The Board may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit. A resolution put to the vote at a Board meeting shall be carried by the affirmative votes of a majority of the votes cast and in the case of an equality of votes the resolution shall fail.

60. NOTICE OF BOARD MEETINGS

A Director may, and the Secretary on the requisition of a Director shall, at any time summon a Board meeting. Notice of a Board meeting shall be deemed to be duly given to a Director if it is given to such Director verbally (including in person or by telephone) or otherwise communicated or sent to such Director by post, electronic means or other mode of representing words in a visible form at such Director's last known address or in accordance with any other instructions given by such Director to the Company for this purpose.

61. ELECTRONIC PARTICIPATION IN MEETINGS

Directors may participate in any meeting by such telephonic, electronic or other communication facilities or means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

62. REPRESENTATION OF DIRECTOR

- 62.1. A Director which is a corporation may, by written instrument, authorise such person or persons as it thinks fit to act as its representative at any meeting and any person so authorised shall be entitled to exercise the same powers on behalf of the corporation which such person represents as that corporation could exercise if it were an individual Director, and that Director shall be deemed to be present in person at any such meeting attended by its authorised representative or representatives.
- 62.2. Notwithstanding the foregoing, the chairman of the meeting may accept such assurances as he thinks fit as to the right of any person to attend and vote at Board meetings on behalf of a corporation which is a Director.
- 62.3. A Director who is not present at a Board meeting, and whose Alternate Director (if any) is not present at the meeting, may be represented at the meeting by a proxy duly appointed, in which event the presence and vote of the proxy shall be deemed to be that of the Director. All the provisions of these Articles regulating the appointment of proxies by Members shall apply equally to the appointment of proxies by Directors.

63. QUORUM AT BOARD MEETINGS

The quorum necessary for the transaction of business at a Board meeting shall be two Directors, provided that if there is only one Director for the time being in office the quorum shall be one.

64. BOARD TO CONTINUE IN THE EVENT OF VACANCY

The Board may act notwithstanding any vacancy in its number.

65. CHAIRMAN TO PRESIDE

Unless otherwise agreed by a majority of the Directors attending, the Chairman, if there be one, shall act as chairman at all Board meetings at which such person is present. In his absence a chairman of the meeting shall be appointed or elected by the Directors present at the meeting.

66. WRITTEN RESOLUTIONS

- 66.1. Anything which may be done by resolution of the Directors may, without a meeting and without any previous notice being required, be done by written resolution in accordance with this Article.
- 66.2. A written resolution may be signed by (or in the case of a Director that is a corporation, on behalf of) all the Directors in as many counterparts as may be necessary.
- 66.3. A written resolution made in accordance with this Article is as valid as if it had been passed by the Directors in a directors' meeting, and any reference in any Article to a meeting at which a resolution is passed or to Directors voting in favour of a resolution shall be construed accordingly.
- 66.4. A resolution in writing made in accordance with this Article shall constitute minutes for the purposes of the Act.
- 66.5. For the purposes of this Article, the date of the resolution is the date when the resolution is signed by (or in the case of a Director that is a corporation, on behalf of) the last Director to sign and any reference in any Article to the date of passing of a resolution is, in relation to a resolution made in accordance with this Article, a reference to such date.

67. VALIDITY OF PRIOR ACTS OF THE BOARD

No regulation or alteration to these Articles made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation or alteration had not been made.

CORPORATE RECORDS

68. MINUTES

The Board shall cause minutes to be duly entered in books provided for the purpose:

- (a) of all elections and appointments of Officers;
- (b) of the names of the Directors present at each Board meeting and of any committee appointed by the Board; and
- (c) of all resolutions and proceedings of general meetings of the Members, Board meetings, meetings of managers and meetings of committees appointed by the Board.

69. REGISTER OF MORTGAGES AND CHARGES

- 69.1. The Board shall cause to be kept the Register of Mortgages and Charges required by the Act.

69.2. The Register of Mortgages and Charges shall be open to inspection in accordance with the Act, at the registered office of the Company on every business day in the Cayman Islands, subject to such reasonable restrictions as the Board may impose, so that not less than two hours in each such business day be allowed for inspection.

70. FORM AND USE OF SEAL

70.1. The Company may adopt a seal, which shall bear the name of the Company in legible characters, and which may, at the discretion of the Board, be followed with or preceded by its dual foreign name or translated name (if any), in such form as the Board may determine. The Board may adopt one or more duplicate seals for use in or outside Cayman and, if the Board thinks fit, a duplicate Seal may bear on its face the name of the country, territory, district or place where it is to be issued.

70.2. The Seal (if any) shall only be used by the authority of the Board or of a committee of the Board authorised by the Board in that behalf and, until otherwise determined by the Board, the Seal shall be affixed in the presence of a Director or the Secretary or an assistant secretary or some other person authorised for this purpose by the Board or the committee of the Board.

70.3. Notwithstanding the foregoing, the Seal (if any) may without further authority be affixed by way of authentication to any document required to be filed with the Registrar of Companies in the Cayman Islands, and may be so affixed by any Director, Secretary or assistant secretary of the Company or any other person or institution having authority to file the document as aforesaid.

ACCOUNTS

71. BOOKS OF ACCOUNT

71.1. The Board shall cause to be kept proper books of account including, where applicable, material underlying documentation including contracts and invoices, and with respect to:

- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place;
- (b) all sales and purchases of goods by the Company; and
- (c) all assets and liabilities of the Company.

71.2. Such books of account shall be kept and proper books of account shall not be deemed to be kept with respect to the matters aforesaid if there are not kept, at such place as the Board thinks fit, such books as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

71.3. Such books of account shall be retained for a minimum period of five years from the date on which they are prepared.

71.4. No Member (not being a Director) shall have any right of inspecting any account or book or document of the Company.

72. FINANCIAL YEAR END

The financial year end of the Company shall be 31st December in each year but, subject to any direction of the Company in general meeting, the Board may from time to time prescribe some other period to be the financial year, provided that the Board may not without the sanction of an ordinary resolution prescribe or allow any financial year longer than eighteen months.

AUDITS

73. AUDIT

Nothing in these Articles shall be construed as making it obligatory to appoint Auditors.

74. APPOINTMENT OF AUDITORS

74.1. The Company may in general meeting appoint Auditors to hold office for such period as the Members may determine.

74.2. Whenever there are no Auditors appointed as aforesaid the Board may appoint Auditors to hold office for such period as the Board may determine or earlier removal from office by the Company in general meeting.

74.3. The Auditor may be a Member but no Director, Officer or employee of the Company shall, during his continuance in office, be eligible to act as an Auditor of the Company.

75. REMUNERATION OF AUDITORS

75.1. The remuneration of an Auditor appointed by the Members shall be fixed by the Company in general meeting.

75.2. The remuneration of an Auditor appointed by the Board in accordance with these Articles shall be fixed by the Board.

76. DUTIES OF AUDITOR

The Auditor shall make a report to the Members on the accounts examined by him and on every set of financial statements laid before the Company in general meeting, or circulated to Members, pursuant to this Article during the Auditor's tenure of office.

77. ACCESS TO RECORDS

- 77.1. The Auditor shall at all reasonable times have access to the Company's books, accounts and vouchers and shall be entitled to require from the Company's Directors and Officers such information and explanations as the Auditor thinks necessary for the performance of the Auditor's duties and, if the Auditor fails to obtain all the information and explanations which, to the best of his knowledge and belief, are necessary for the purposes of their audit, he shall state that fact in his report to the Members.
- 77.2. The Auditor shall be entitled to attend any general meeting at which any financial statements which have been examined or reported on by him are to be laid before the Company and to make any statement or explanation he may desire with respect to the financial statements.

VOLUNTARY WINDING-UP AND DISSOLUTION

78. WINDING-UP

- 78.1. The Company may be voluntarily wound-up by a Special Resolution.
- 78.2. If the Company shall be wound up the liquidator may, with the sanction of a Special Resolution, divide amongst the Members in specie or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in the trustees upon such trusts for the benefit of the Members as the liquidator shall think fit, but so that no Member shall be compelled to accept any shares or other securities or assets whereon there is any liability.

CHANGES TO CONSTITUTION

79. CHANGES TO ARTICLES

Subject to the Act and to the conditions contained in its Memorandum of Association, the Company may, by Special Resolution, alter or add to its Articles.

80. CHANGES TO THE MEMORANDUM OF ASSOCIATION

Subject to the Act and these Articles, the Company may from time to time by Special Resolution alter its Memorandum of Association with respect to any objects, powers or other matters specified therein.

81. DISCONTINUANCE

The Board may exercise all the powers of the Company to transfer by way of continuation the Company to a named country or jurisdiction outside the Cayman Islands pursuant to the Act.

**IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION****Cause No. FSD 0005 of 2025****IN THE MATTER OF SECTION 86 OF THE COMPANIES ACT (2023 REVISION) (AS
REVISED)****AND IN THE MATTER OF ORDER 102 OF THE GRAND COURT RULES 2023 (AS
REVISED)****AND IN THE MATTER OF FOSUN TOURISM GROUP****NOTICE OF COURT MEETING**

NOTICE IS HEREBY GIVEN that, by an order (the “**Order**”) dated 30 January 2025 made in the above matter, Grand Court of the Cayman Islands (the “**Grand Court**”) has directed a meeting (the “**Court Meeting**”) of the Scheme Shareholders to be convened and held for the purpose of considering and, if thought fit, approving (with or without modifications) a scheme of arrangement (the “**Scheme**”) proposed to be made between Fosun Tourism Group (the “**Company**”) and the Scheme Shareholders and that the Court Meeting will be held at 3:00 p.m. on Tuesday, 4 March 2025 at 8th Floor, Tower T1, No. 118 Feihong Road, Hongkou District, Shanghai, the PRC at which all Scheme Shareholders are invited to attend.

Scheme Shareholders may vote in person at the Court Meeting or they may appoint another person (who must be an individual), whether a member of the Company or not, as their proxy to attend and vote in their stead. A **PINK** form of proxy for use at the Court Meeting is enclosed with the Scheme Document. The completion and return of the **PINK** form of proxy will not preclude a Scheme Shareholder from attending and voting in person at the Court Meeting, or any adjournment thereof, if he/she so wishes and in such event, the **PINK** form of proxy previously submitted will be revoked by operation of law.

In the case of joint registered holders of a Scheme Share, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and, for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding. In the case of a Scheme Shareholder which is a corporation (except a recognised clearing house), the Scheme Shareholder may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its corporate representative at the Court Meeting and exercise the same powers on behalf of the corporate Scheme Shareholder as if the corporate Scheme Shareholder was an individual Scheme Shareholder of the Company.

The **PINK** form of proxy for use at the Court Meeting, together with the power of attorney (if any) or other authority (if any) under which it is signed or a notarially certified copy thereof, should be lodged at the Company’s Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre,

183 Queen's Road East, Wanchai, Hong Kong, as soon as possible, but in any event no later than 48 hours before the time appointed for holding the Court Meeting or any adjournment thereof. Alternatively, the **PINK** form of proxy may be handed to the chairman of the Court Meeting at the Court Meeting.

By the Order, the Court has appointed Mr. Choi Yin On, an executive Director, or failing him, any other Director at the time of the Court Meeting to act as chairman of the Court Meeting and has directed the chairman of the Court Meeting to report the results of the Court Meeting to the Court.

The Scheme is subject to the subsequent sanction of the Grand Court.

Dated: 10 February 2025

Registered office:

Harneys Fiduciary (Cayman) Limited
4th Floor, Harbour Place
103, South Church Street
P.O. Box 10240
Grand Cayman KY1-1002
Cayman Islands

*Principal place of business
in Hong Kong:*

Rooms 808 & 2101-06
ICBC Tower
3 Garden Road
Central
Hong Kong

By order of the Board
Fosun Tourism Group
Choi Yin On
Executive Director

Note:

1. The resolution to approve the Scheme will be decided by way of poll.
2. Any Scheme Shareholder entitled to attend and vote at the Court Meeting is entitled to appoint a proxy to attend and vote instead of him/her/it. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of Scheme Shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy.
3. For the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting, the register of members of the Company will be closed from Thursday, 27 February 2025 to Tuesday, 4 March 2025 (both days inclusive) and during such period, no transfer of Shares will be effected. In order to qualify to vote at the Court Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Wednesday, 26 February 2025.
4. References to time and date in this notice are to Hong Kong time and date.
5. Unless otherwise defined, capitalised terms used in this notice shall have the same meanings as those defined in the Scheme Document of which this notice forms part.

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Fosun Tourism Group (the “**Company**”) will be held at 3:30 p.m. on Tuesday, 4 March 2025 at 8th Floor, Tower T1, No. 118 Feihong Road, Hongkou District, Shanghai, the PRC (or as soon as practicable after the conclusion or adjournment of the Court Meeting(as defined in the Scheme Document (as defined below)) for the purpose of considering and, if thought fit, passing the following resolutions. Unless otherwise defined, capitalised terms used in this notice shall have the same meanings as those defined in the composite scheme document of the Company dated 10 February 2025 (the “**Scheme Document**”) of which this notice forms part.

ORDINARY RESOLUTION

1. “**THAT** the Controlling Shareholders Rollover Arrangement be and is hereby approved.”

SPECIAL RESOLUTIONS

1. “**THAT:**
 - (i) for the purpose of giving effect to the scheme of arrangement between the Company and the Scheme Shareholders (the “**Scheme**”) as set out in the Scheme Document and subject to the approval of the Scheme by the Scheme Shareholders at the Court Meeting, on the Effective Date, the reduction of the issued share capital of the Company as a result of the cancellation of the Scheme Shares be and is hereby approved and the credit created as a result of the cancellation of the Scheme Shares be credited to a distributable reserve account of the Company;
 - (ii) subject to the Scheme becoming effective, the Amended and Restated Articles of Association (as defined in the Scheme Document) in the form as set out in Appendix VIII of the Scheme Document be and is hereby approved as the new articles of association of the Company in substitution for and to the exclusion of the Company’s existing articles of association with effect from the day on which the listing of the Shares of the Company on the Stock Exchange is withdrawn; and
 - (iii) the directors of the Company be and are hereby authorised to do all such acts and things considered by them to be necessary or desirable in connection with the implementation of the Proposal, including (without limitation) (i) the

making of an application to the Stock Exchange for the withdrawal of the listing of the Shares from the Stock Exchange, subject to the Scheme taking effect; (ii) the determination of the manner or terms of the repurchase of the Scheme Shares under the Scheme not being inconsistent with the Scheme including payment for the repurchase out of share capital, profits or the share premium account of the Company or in any manner provided for in the Companies Act (2023 Revision) (As Revised) of the Cayman Islands; (iii) the giving, on behalf of the Company, of consent to any modification of, or addition to, the Scheme, which the Grand Court of the Cayman Islands may see fit to impose and to do all other acts and things and/or sign such documents considered by them to be necessary for or desirable in connection with the implementation of the Proposal and in relation to the proposed privatisation of the Company by way of the Scheme as a whole.”

By order of the Board
Fosun Tourism Group
Choi Yin On
Executive Director

Hong Kong, 10 February 2025

Registered office:

Harneys Fiduciary (Cayman) Limited
4th Floor, Harbour Place
103, South Church Street
P.O. Box 10240
Grand Cayman KY1-1002
Cayman Islands

*Principal place of business
in Hong Kong:*

Rooms 808 & 2101-06
ICBC Tower
3 Garden Road
Central
Hong Kong

Notes:

1. All resolutions at the meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Listing Rules, the Takeovers Code and the articles of association of the Company.
2. Any shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every shareholder present in person or by proxy shall be entitled to one vote for each share held by him.
3. In order to be valid, the **WHITE** form of proxy for use at the EGM, together with the power of attorney (if any) or other authority (if any) under which it is signed or a notarially certified copy thereof, must be lodged at the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible, but in any event no later than 48 hours before the time appointed for holding the EGM (i.e., 3:30 p.m. on Tuesday, 4 March 2025) or any adjournment thereof. Completion and delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the EGM and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

4. For the purpose of determining the entitlements of the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, 27 February 2025 to Tuesday, 4 March 2025 (both days inclusive) and during such period, no transfer of Shares will be effected. In order to qualify to vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Wednesday, 26 February 2025.
5. References to time and dates in this notice are to Hong Kong time and dates.

As at the date of this notice, the Board comprises three executive Directors, namely Mr. Xu Xiaoliang, Mr. Xu Bingbin and Mr. Choi Yin On, two non-executive Directors, namely Mr. Pan Donghui and Mr. Huang Zhen, and four independent non-executive Directors, namely, Dr. Allan Zeman, Mr. Guo Yongqing, Ms. Katherine Rong Xin and Mr. He Jianmin.

The following is a form of the Letter to the Share Incentive Holders being sent in connection with the Share Incentive Proposal.

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)

10 February 2025

To the Share Incentive Holders

Dear Sir or Madam

**SHARE INCENTIVE PROPOSAL
IN RELATION TO THE
PROPOSED PRIVATISATION OF
FOSUN TOURISM GROUP
BY WAY OF A SCHEME OF ARRANGEMENT
(UNDER SECTION 86 OF THE COMPANIES ACT OF THE
CAYMAN ISLANDS)**

A composite scheme document dated the same date as this letter issued by the Company (the “**Scheme Document**”) and a form of acceptance (the “**Form of Acceptance**”) are provided to you together with this letter. Terms used but not defined in this letter shall have the same meanings as in the Scheme Document. This letter should be read in conjunction with the Scheme Document.

On 9 December 2024, the Board resolved to put forward the Proposal to the Scheme Shareholders for the proposed share buy-back of the Company by way of a scheme of arrangement under section 86 of the Companies Act involving the cancellation of the Scheme Shares and, in consideration thereof, the payment to the Scheme Shareholders of the Cancellation Price in cash for each Scheme Share, and the withdrawal of the listing of the Shares from the Stock Exchange.

As stated in the Scheme Document, the Company is making an appropriate offer to the holders of any Pre-IPO Share Option(s), 2019 Share Option(s), 2019 Share Unit(s), 2024 Share Option(s) and/or 2024 Share Unit(s) (together, the “**Share Incentives**”) in accordance with Rule 13 of the Takeovers Code, subject to and conditional upon the Scheme becoming effective.

This letter explains the terms of the Share Incentive Proposal and the actions you may take in relation to any Share Incentives held by you. You are advised to refer to the Scheme Document when considering such actions.

Your attention is also drawn to the terms and conditions of the documentation under which each of your Share Incentives was granted (including the terms of any Pre-IPO Share Option(s), 2019 Share Option(s), 2019 Share Unit(s), 2024 Share Option(s) and/or 2024 Share Unit(s), as applicable).

TERMS OF THE SHARE INCENTIVE PROPOSAL

Vested Option Proposal

Under the Vested Option Proposal, we offer to pay you the following for each Vested Option that you may hold as at the Record Date:

- (a) in respect of the 21,169,374 Vested Pre-IPO Share Options with an exercise price of HK\$8.43 or HK\$15.60, a nominal price of HK\$0.0001 per Vested Pre-IPO Share Option for the cancellation of each Vested Pre-IPO Share Option, as the exercise price of each Vested Pre-IPO Share Option exceeds the Cancellation Price and the “see-through” price is negative; and
- (b) in respect of the 7,483,000 Vested 2019 Share Options with an exercise price of HK\$8.37, HK\$9.37, HK\$10.69 or HK\$11.70, a nominal price of HK\$0.0001 per Vested 2019 Share Option for the cancellation of each Vested 2019 Share Option, as the exercise price of each Vested 2019 Share Option exceeds the Cancellation Price and the “see-through” price is negative.

In consideration for our agreement to pay you the cash consideration set out above in respect of any Vested Options held by you, if you accept the Vested Option Proposal, all of your rights and entitlements in respect of such Vested Options under the 2019 Share Option Scheme and the Pre-IPO Share Option Scheme will automatically be cancelled on the Effective Date, which is expected to be 17 March 2025 (Cayman Time) (or such other date as shall be announced by the Company).

Unvested Share Incentive Proposal

Under the Unvested Share Incentive Proposal, we offer to pay you the following for each Unvested Share Incentive that you may hold as at the Record Date:

- (a) in respect of the 4,000,000 Unvested Pre-IPO Share Options with an exercise price of HK\$8.43, a nominal price of HK\$0.0001 per Unvested Pre-IPO Share Option in exchange for the cancellation of each Unvested Pre-IPO Share Option, as the exercise price of each Unvested Pre-IPO Share Option exceeds the Cancellation Price and the “see-through” price is negative, which will be settled as soon as possible and in any event no later than 7 business days after the Effective Date;

- (b) in respect of the 5,919,000 Unvested 2019 Share Options with an exercise price of HK\$8.37, HK\$9.37, HK\$10.69 or HK\$11.70, a nominal price of HK\$0.0001 per Unvested 2019 Share Option in exchange for the cancellation of each Unvested Pre-IPO Share Option, as the exercise price of each Unvested 2019 Share Option exceeds the Cancellation Price and the “see-through” price is negative, which will be settled as soon as possible and in any event no later than 7 business days after the Effective Date;
- (c) in respect of the 9,606,500 Unvested 2024 Share Options, the “see-through price” of HK\$3.50 per 2024 Share Option (being the Cancellation Price minus the exercise price of HK\$4.30 per 2024 Share Option) in exchange for the cancellation of each 2024 Share Option, such 2024 Share Option would have become vested in accordance with the existing schedule and conditions of grant under the 2024 Share Option Scheme;
- (d) in respect of the 2,898,945 Unvested 2019 Share Units, the Cancellation Price of HK\$7.80 per 2019 Share Unit, in exchange for the cancellation of each 2019 Share Unit, when such 2019 Share Unit would have become vested in accordance with the existing schedule and conditions of grant under the 2019 Share Award Plan; and
- (e) in respect of the 5,803,000 Unvested 2024 Share Units, the Cancellation Price of HK\$7.80 per 2024 Share Unit, in exchange for the cancellation of each 2024 Share Unit, which will be settled when such 2024 Share Unit would have become vested in accordance with the existing schedule and conditions of grant under the 2024 Share Award Plan.

In consideration for our agreement to pay you the cash consideration set out above in respect of any Unvested Share Incentive held by you, if you accept the Unvested Share Incentive Proposal, all of your rights and entitlements in respect of the such Unvested Share Incentives under the Pre-IPO Share Option Scheme, the 2019 Share Option Scheme, the 2024 Share Option Scheme, and the 2024 Share Award Plan will automatically be cancelled on the Effective Date, which is expected to be 17 March 2025 (Cayman Time) (or such other date as shall be announced by the Company).

Conditions of the Share Incentive Proposal

The Share Incentive Proposal is conditional upon the Scheme becoming effective. The Share Incentive Proposal will become unconditional immediately upon the Scheme becoming effective, which will be prior to the withdrawal of the listing of the Shares from the Stock Exchange.

The Conditions of the Proposal and the Scheme are set out in the section headed “3. *Conditions of the Proposal and the Scheme*” in Part VI — Explanatory Memorandum of this Scheme Document. You are further advised to refer to the sections headed “19. *Registration and payment — Payment to the Share Incentive Holders under the Share Incentive Proposal*” and “20. *Overseas Scheme Shareholders and Overseas Share Incentive Holders*” in Part VI — Explanatory Memorandum of this Scheme Document.

Payments under the Share Incentive Proposal

On the basis that the Scheme becomes effective, payment (by cheque or bank transfer) of any cash consideration to which you may be entitled under:

- (a) (i) the Vested Option Proposal or (ii) the Unvested Share Incentive Proposal (in respect of any Unvested Pre-IPO Share Options or Unvested 2019 Share Options) will be despatched or made as soon as possible but in any event within seven (7) business days (as defined in the Takeovers Code) following the Effective Date. On the basis that the Scheme becomes effective on 17 March 2025 (Cayman time), the payment of the nominal price under the Share Incentive Proposal is expected to be made (or otherwise the cheque is expected to be despatched) on or before 26 March 2025; and
- (b) the Unvested Share Incentive Proposal (in respect of any Unvested 2024 Share Options, Unvested 2019 Share Units or Unvested 2024 Share Units) will be paid to you on a staggered basis within seven (7) business days after such Unvested Share Incentive would have become vested in accordance with the existing schedule and conditions of grant under the 2024 Share Option Scheme, the 2019 Share Award Plan and the 2024 Share Award Plan (as applicable).

Payment will be made either by way of (i) electronic bank transfer into the bank account as customarily used by you to receive other compensation from the Group (or as otherwise notified by you to the Group), or (ii) in cheques by ordinary post in postage pre-paid envelopes addressed to you at your last known address as notified by you to the Group.

If payment is made by way of cheque, all such cheques will be sent at your risk and none of the Company, Deutsche Bank, Fosun International Capital, the Independent Financial Adviser and the share registrar of the Company and their respective nominees, directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Share Incentive Proposal shall be liable for any loss or delay in despatch.

On or after the day being six (6) calendar months after the posting of such cheques, the Company shall have the right to cancel or countermand payment of any such cheques which have not been cashed or which have been returned uncashed, and shall place all monies represented thereby in a deposit account in the name of the Company with a licensed bank selected by the Company.

The Company shall hold all monies in respect of uncashed cheques until the expiry of six (6) years from the Effective Date or, if later, the date on which such cheques are posted and shall, prior to such date, make payments therefrom of the sums payable pursuant to the Share Incentive Proposal to persons who satisfy the Company that they are respectively entitled thereto, provided that the cheques referred to in the foregoing sentence of which they are payees have not been cashed. Any payments made by the Company shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to the Share Incentive Proposal, and are subject to, if applicable, the deduction of

interest, tax or any withholding tax or any other deduction required by law. The Company shall exercise its absolute discretion in determining whether or not it is satisfied that any person is so entitled and a certificate of the Company to the effect that any particular person is so entitled or not so entitled, as the case may be, shall be conclusive and binding upon all persons claiming an interest in the relevant monies.

On the expiry of six (6) years from the Effective Date or, if later, the date on which such cheques are posted, the Company shall be released from any further obligation to make any payments under the Share Incentive Proposal and the Company shall be absolutely entitled to the balance (if any) of the sums then standing to the credit of the deposit account, including accrued interest subject to any deduction required by law and any expenses incurred.

Settlement of cash payments to which you may be entitled under the Share Incentive Proposal will be implemented in full in accordance with the terms of the Share Incentive Proposal, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Company may otherwise be, or claim to be, entitled against any you.

COURSES OF ACTION AVAILABLE TO SHARE INCENTIVE HOLDERS

The choices available to you in respect of your Share Incentives are set out below.

(A) Accept the Share Incentive Proposal with respect to any Share Incentives

The Share Incentive Proposal shall apply to each outstanding Share Incentive that you hold as at the Record Date.

You may choose to accept the Share Incentive Proposal with respect to all of your Share Incentives on the terms (including all declarations and undertakings) as set out in this letter and the enclosed Form of Acceptance, by ticking the “**Accept**” box on the Form of Acceptance and returning it in accordance with the instructions set out below. Such acceptance of the Share Incentive Proposal will be in respect of all Share Incentives held by you on the Record Date.

(B) Reject the Share Incentive Proposal

If you choose to reject the Share Incentive Proposal, please tick the “**Reject**” box on the Form of Acceptance and return it in accordance with the instructions set out below. Such rejection of the Share Incentive Proposal shall apply to all Share Incentives held by you as at the Record Date.

If you reject the Share Incentive Proposal, you will not be entitled to the cash consideration offered by the Company with respect to any Share Incentives held by you as at the Record Date.

Following receipt of this letter, if you (i) choose to do nothing (including by not returning a Form of Acceptance) or (ii) fail to tick either the “Accept” or “Reject” box on a return Form of Acceptance, and the Scheme becomes effective, you will be treated as having returned a duly executed Form of Acceptance with the “Reject” box ticked in respect of all Share Incentives held by you on the Record Date.

For the avoidance of doubt, if you do not accept the Share Incentive Proposal, you will continue to hold your Share Incentives after the Effective Date, and if you are subsequently issued Shares as a result of the exercise or vesting of your Share Incentives, you will be subject to the Amended and Restated Articles of Association to be adopted at the EGM and your Shares will be subject to (i) a compulsory acquisition right by the Company to require such Vested Option Holder or Unvested Share Incentive Holder to sell all such Shares to the Company at the Cancellation Price per Share and (ii) customary drag along and tag along provisions. Please refer to APPENDIX VIII to this Scheme Document for further details.

(C) Become a Scheme Shareholder

If any of the outstanding Share Options you hold is exercised at the relevant exercise price in accordance with the terms of the applicable Share Options on or before the Record Date, and the corresponding Shares are transferred or issued to you before the Record Date, any such Shares will be Scheme Shares and will be cancelled if the Scheme becomes effective. Accordingly, you will be entitled to receive the Cancellation Price for the Scheme Shares held by you as at the Record Date.

With respect to any Share Options you hold, as the exercise price of each Share Option exceeds the Cancellation Price and the “see-through” price is negative, there is no monetary benefit in taking this course of action. Nonetheless, Scheme Shareholders as at the Meeting Record Date will be entitled, subject to the Hong Kong Takeovers Code, to attend and vote at the Court Meeting and/or the EGM, whereas a Share Incentive Holder will not have such right to attend and vote at the Court Meeting and/or the EGM.

HOW TO RETURN THE FORM OF ACCEPTANCE

You should complete and return the duly completed and executed Form of Acceptance to incentive@fosunholiday.com by no later than 4:30 p.m. on 5 March 2025 (or such later date and time as may be notified to you by the Company).

Before returning the Form of Acceptance to the Company, please ensure that you have completed and signed the Form of Acceptance and that your signature has been witnessed.

No acknowledgment of receipt of the Form of Acceptance or any other documents will be given.

OUTSTANDING SHARE INCENTIVES

Information on the Share Incentives held by you can be obtained by contacting the Company at incentive@fosunholiday.com.

LAPSED SHARE INCENTIVES

Please note that nothing in this letter or the Scheme Document serves to extend the life of a Share Incentive which lapses, will lapse, or has already lapsed, under the terms of its applicable scheme or grant. You cannot accept the Share Incentive Proposal in respect of a Share Incentive which has lapsed or will have lapsed by the Record Date.

INDEPENDENT FINANCIAL ADVICE

The information provided in this letter is intended to give you factual details on which to base your decision as to the action you wish to take.

If you are in any doubt as to any aspect of this letter, the Scheme Document or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

DECLARATION

By signing and returning the Form of Acceptance, you:

- (a) confirm that you have read, understood and agreed to the terms and conditions of the Share Incentive Proposal (including without limitation those set out in the Scheme Document, this letter and the Form of Acceptance), and that you have received the Scheme Document, this letter and the Form of Acceptance;
- (b) confirm that all of the outstanding Share Incentives held by you in respect of which you accept the Share Incentive Proposal are valid and subsisting, free from all liens, charges, mortgages and third party interests of any nature whatsoever;
- (c) confirm that all local laws and requirements applicable to your acceptance of the Share Incentive Proposal have been complied with;
- (d) acknowledge that all your rights and entitlements in respect of the Share Incentives under the Pre-IPO Share Option Scheme, the 2019 Share Option Scheme, the 2024 Share Option Scheme, the 2019 Share Award Plan and the 2024 Share Award Plan respectively will automatically be cancelled on the Effective Date;
- (e) agree, in consideration for the Share Incentive Proposal, to release and waive all future and present claims, demands, actions and/or proceedings (whether contractual, statutory or otherwise and whether such claims are known or could be known or are in your contemplation at the time of signing the Form of Acceptance and to the maximum extent not prohibited by law) against any party (including the Company and their officers) arising out of or in connection with the Share Incentives and/or the Share Incentive Proposal;

- (f) confirm that any acceptance of the Share Incentive Proposal cannot be withdrawn or altered;
- (g) authorise the Company or any director or officer of the Company or any agent of such person to do all acts and things and to execute any document as may be necessary or desirable to give effect to any acceptance by you of the Share Incentive Proposal, and you hereby undertake to execute any further assurance that may be required in respect of such acceptance (including but not limited to consenting to the Company or the Board as applicable, exercising its rights to amend the terms of your Share Incentives to enable such outstanding Share Incentives to be cancelled in exchange for the payment by the Company of the cash considerations in respect of the Share Incentive Proposal); and
- (h) undertake to confirm and ratify any action properly or lawfully taken on your behalf by any attorney or agent appointed by or pursuant to this letter or the Form of Acceptance.

GENERAL

All communications, notices, Forms of Acceptance, cheques, certificates and other documents of any nature to be delivered by or sent to or from Share Incentive Holders will be delivered by or sent to or from them, or their designated agents, at their risk, and none of the Company, the Company Concert Parties, and their respective ultimate beneficial owners, directors, officers, agents and associates and any other person involved in the Proposal or the Share Incentive Proposal accepts any liability for any loss or any other liabilities whatsoever which may arise as a result. This letter shall be taken as having been received by you within two (2) business days of its despatch.

The provisions set out in the Form of Acceptance form part of the terms of the Share Incentive Proposal.

The Share Incentive Proposal and all acceptances will be governed by and construed in accordance with the laws of Hong Kong.

Due execution of the Form of Acceptance in respect of the Share Incentive Proposal will constitute an authority to the Company, any director of the Company or their respective agents to complete and execute any document on behalf of the accepting Share Incentive Holder(s) and to do any other act, that may be necessary or expedient for the purpose of cancelling all outstanding Share Incentives which are the subject of such acceptance.

The delivery of the Form of Acceptance, duly signed, may, if the Company determines it appropriate, be as effective as if it were duly completed and received notwithstanding that it is not completed or received strictly in accordance with the instructions set out in the Form of Acceptance and this letter, including the date specified for receipt or the requirement for the Form of Acceptance to be witnessed.

By accepting the Share Incentive Proposal in respect of your Share Incentives, you irrevocably and at your own risk elect to authorise the Company to send to you, or procure the sending to you of, any cash to which you are entitled.

Any acceptance of the Share Incentive Proposal and the receipt of cash consideration may trigger taxes subject to withholding obligations of the Company. All Share Incentive Holders are recommended to consult their professional advisers if in any doubt as to the taxation implications of the Share Incentive Proposal.

RESPONSIBILITY STATEMENTS

The issue of this letter has been approved by the Directors, who jointly and severally accept full responsibility for the accuracy of the information contained in this letter and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this letter have been arrived at after due and careful consideration and there are no other facts not contained in this letter, the omission of which would make any statement in this letter misleading.

Yours truly,
For and on behalf of
Fosun Tourism Group
Xu Xiaoliang
Chairman