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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)

DISCLOSEABLE TRANSACTION **DISPOSAL OF A SUBSIDIARY**

INTRODUCTION

On 4 September 2024, the Vendor, a wholly owned subsidiary of the Company, entered into the SPA with the Purchaser, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase 100% equity interests in the Target Company at a maximum total consideration of £30,000,000.

SPA

The principal terms of the SPA are summarized as below:

Date : 4 September 2024

Parties : (i) the Vendor; and
(ii) the Purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser and the ultimate beneficial owner of the Purchaser are third parties independent of the Company and connected persons of the Company.

Subject matter : Pursuant to the SPA, The Vendor shall sell 100% equity interests in the Target Company to the Purchaser.

The Target Company will cease to be a subsidiary of the Company after the completion of the Disposal.

Condition : The Completion of the Disposal is subject to and conditional upon Civil Aviation Authority in the United Kingdom having provided written approval in respect of the Disposal and the change in ownership of the Target Company arising pursuant to the Disposal (the “**Condition**”).

If the Condition is not satisfied on or before the Longstop Date, the SPA shall terminate, unless otherwise agreed by the Vendor and the Purchaser in writing.

Consideration and basis : The maximum aggregate consideration for the Disposal is £30,000,000, which comprises:

(i) the completion payment of £15,000,000, subject to adjustment as noted below (the “**Completion Payment**”);

(a) if the aggregate of Net Cash and Net Working Capital of the Target Company and its subsidiaries at the time of Completion exceeds £10,000,000 by a margin greater than £100,000, the Purchaser shall pay to the Vendor a sum equal to the amount by which the aggregate of Net Cash and Net Working Capital exceeds £10,000,000;

(b) if the aggregate of Net Cash and Net Working Capital of the Target Company and its subsidiaries at the time of Completion is less than £10,000,000 by a margin greater than £100,000, the Vendor shall pay to the Purchaser a sum equal to the amount by which the aggregate of Net Cash and Net Working Capital is less than £10,000,000;

In any event, the Completion Payment will not exceed £17,000,000.

(ii) £5,000,000 (the “**Deferred Payment**”);

(iii) £4,000,000 (the “**First Additional Payment**”) (if any);
and

The Purchaser shall make the First Additional Payment only if the Total Transaction Value of the Target Company is equal to or greater than £200,000,000 in any financial year from the year ending 31 December 2024 to the year ending 31 December 2028.

(iv) £4,000,000 (the “**Second Additional Payment**”) (if any).

The Purchaser shall make the First Additional Payment and the Second Additional Payment only if the Total Transaction Value of the Target Company is equal or greater than £300,000,000 in any financial year from the year ending 31 December 2024 to the year ending 31 December 2028.

The consideration was determined after arm’s length negotiations between the parties with reference to the net equity of the Target Company after all shareholders’ loans (excluding accrued interest) are converted to equity, details of which are set out in below section “The Target Company”.

Payment

- :
- (i) the Completion Payment shall be made by the Purchaser to the Vendor in cash on Completion (as described below);
 - (ii) the Deferred Payment shall be made by the Purchaser to the Vendor in cash on the earlier to occur of:
 - a) the date falling 5 business days following the date on which MCI.PrivateVentures Closed-End Investment Fund ceases to hold directly or indirectly more than 51% of the issued shares in the Purchaser subject to certain exceptions;
 - b) 31 December 2027;
 - (iii) the First Additional Payment (if any) shall be paid within 10 business days following the delivery to the Vendor of the Additional Payment Statement for the first financial year in respect of which Total Transaction Value is equal to or greater than £200,000,000; and
 - (iv) the Second Additional Payment (if any) shall be paid within 10 business days following the delivery to the Vendor of the Additional Payment Statement for the first financial year in respect of which Total Transaction Value is equal to or greater than £300,000,000.

The Purchaser is obliged to deliver the Additional Payment Statement to the Vendor for the relevant financial year within 5 business days following the issue of the audit certificate in respect of the account of the Target Company.

Completion : Completion shall take place on the last business day of the calendar month in which satisfaction of the Condition occurs (or, if satisfaction of the Condition occurs after the fourth business day prior to the end of a calendar month, the last business day of the subsequent calendar month) or on such other date as the parties may agree in writing (“**Completion**”).

Reasons for and Benefits of the Transaction

The online travel agency business in the United Kingdom, which is the principal business of the Target Company, does not align with the core competencies and strategic focus of the Group. The Group intends to concentrate on its primary business areas and allocate resources towards the Group’s core business to enhance efficiency and effectiveness of the Group’s business operations.

After evaluating the business and financial performance of the Target Company, the Board is of the view that the Target Company does not meet the Group’s strategic goals. The Disposal will mitigate the risk of further financial losses.

Based on the foregoing, the Directors (including the independent non-executive Directors) are of the view that the terms of the SPA was determined after arm’s length negotiation, and the transactions contemplated thereunder are conducted in the ordinary and usual course of business of the Company and are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, as of the date of this announcement, none of the Directors has any material interests in the SPA or shall abstain from voting in respect of the relevant resolution(s).

INFORMATION OF THE PARTIES

The Group

The Group is a world-leading leisure-focused integrated tourism group. As a core component of Fosun’s Happiness business segment and embracing the mission of “Better Holiday, Better Life”, Fosun Tourism Group endeavors to pioneer holiday lifestyle and create a world-leading family leisure and tourism ecosystem. Fosun Tourism Group owns brands and products including Club Med, the global leader operating more than 60 resorts that offers exquisite “all-inclusive” holidays; Atlantis Sanya, a one-stop

ocean-themed integrated high-end tourism destination; Taicang Alps Resort and Lijiang Club Med Resort, two one-stop global leisure and tourism destinations; Foryou Club, the global membership platform of Fosun Tourism Group, etc.

The Vendor is a wholly owned subsidiary of the Company and is principally engaged in travel business.

The Purchaser

The Purchaser is a limited liability company incorporated in Poland and is principally engaged in air ticket booking and travel related business.

To the best knowledge of the Directors, having made reasonable enquiry, the Purchaser and its ultimate beneficial owners are independent of and not connected with the Company and its connected persons.

The Target Company

The Target Company is principally engaged in providing travel package and online travel agency services in the United Kingdom.

The net profit/(loss) before and after taxation of the Target Company for the year ended 31 December 2022 and 2023 is as follows:

	For the year ended 31 December 2022	For the year ended 31 December 2023
Profit/(Loss) before taxation	£(15,049,706)	£(4,176,573)
Profit/(Loss) after taxation	£(15,049,706)	£(4,176,573)

As at 31 July 2024, the net equity of the Target Company, calculated as total assets minus total liabilities, was £–32,802,726. As at the date of this announcement, the Target Company has outstanding shareholders’ loans with an aggregate amount of £47,498,302 owed to the Company and the Vendor (“**Shareholders’ Loans**”). The Group has agreed to convert the Shareholders’ Loans into one share of the Target Company at least three business days before the completion of the SPA. For the avoidance of doubt, the aforesaid one share will be transferred to the Purchaser together with other share of the Target Company upon completion of the SPA. If all shareholders’ loans (excluding accrued interest) are converted to equity, the net equity of the Target Company will be £14,695,576.

FINANCIAL EFFECT AND USE OF PROCEEDS

Subject to final audit and adjustments at Completion, it is expected that the Group will realize a profit on the Disposal of no more than £7,700,000, representing the difference between the Completion Payment plus the Deferred Payment and the net equity of the

Target Company after converting all the shareholders' loans to equity plus the costs and expenses related to the Disposal. The profit may further increase if First Additional Payment and Second Additional Payment are realized in the future.

The proceeds from the Disposal are currently intended to be used by the Group for general corporate purposes.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal are more than 5% but less than 25%, the Disposal constitute a discloseable transaction for the Company and is subject to announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Additional Payment Statement”	a statement setting out (i) the calculation of Total Transaction Value and (ii) whether or not any additional payment is payable in respect of that financial year (and, if so, the amount thereof);
“associate”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors of the Company;
“Company”	Fosun Tourism Group, a company incorporated under the laws of the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 1992);
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of our Company;
“Disposal”	the disposal of the Target Company by the Vendor pursuant to the SPA;
“Fosun International”	Fosun International Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 656);
“Group”	the Company and its subsidiaries from time to time;

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“independent third party(ies)”	has the meaning ascribed to it under the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time;
“Longstop Date”	the date that is three months after the date of the SPA or such other date as the parties may agree in writing;
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange;
“Net Cash”	an amount equal to cash and cash equivalents less indebtedness;
“Net Working Capital”	an amount equal to Working Capital Assets less Working Capital Liabilities;
“normal commercial terms or better”	has the meaning ascribed to it under the Listing Rules;
“PRC” or “China”	The People’s Republic of China, and for the purposes of this announcement only, excluding Hong Kong, Macau and Taiwan;
“Purchaser”	ESKY.PL S.A., a limited liability company incorporated in Poland;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	ordinary share(s) in the share capital of the Company with a par value of EUR0.0001 each;
“Shareholders”	holder(s) of our Share(s);
“SPA”	the sale and purchase agreement entered into by the Vendor and the Purchaser on 4 September 2024;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules;

“Target Company”	Thomas Cook Tourism (UK) Company Limited, a company incorporated in England and Wales with limited liability;
“Total Transaction Value”	in any financial year from the year ending 31 December 2024 to the year ending 31 December 2028, the total gross sales revenue from travel services or travel-related arrangements (including without limitation flights, hotel accommodation, transfers and car hire sold under the Thomas Cook brand (excluding standalone flights));
“Vendor”	Fosun Tourism and Culture Group (HK) Company Limited, a company incorporated in Hong Kong with limited liability;
“Working Capital Assets”	all current assets of the Target Company and its subsidiaries, but excluding any amounts included in cash and cash equivalents;
“Working Capital Liabilities”	all current liabilities of the Target Company and its subsidiaries, but excluding any amounts included in indebtedness;
“£”	British pound sterling, the lawful currency of the United Kingdom;
“%”	per cent.

By order of the Board
Fosun Tourism Group
Xu Xiaoliang
Chairman

5 September 2024

As at the date of this announcement, the executive Directors of the Company are Mr. Xu Xiaoliang, Mr. Xu Bingbin and Mr. Choi Yin On; the non-executive Directors are Mr. Qian Jiannong, Mr. Pan Donghui and Mr. Huang Zhen; and the independent non-executive Directors are Dr. Allan Zeman, Mr. Guo Yongqing, Ms. Katherine Rong Xin and Mr. He Jianmin.