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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2018

FINANCIAL SUMMARY

	For the years ended 31 December	
	2018	2017
	RMB'000	*RMB'000*
Revenue	**16,269,819**	11,799,394
Resort and destination operations	**10,426,589**	9,096,180
Tourism-related property sales and construction services	**3,443,894**	492,178
Tourism and leisure services and solutions	**2,399,336**	2,211,036
Gross profit	**5,276,048**	2,830,349
Operating profit	**1,741,835**	73,389
Profit/(loss) before income tax	**1,293,388**	(377,515)
Profit/(loss) for the year	**389,121**	(294,996)
Profit/(loss) attributable to equity holders of the Company	**308,441**	(196,502)
Adjusted EBITDA	**2,073,038**	746,313
Adjusted net profit/(loss)	**579,677**	(189,095)
Earnings/(losses) per share – basic (in RMB)	**0.31**	(0.39)
Earnings/(losses) per share – diluted (in RMB)	**0.30**	(0.39)

LETTER TO SHAREHOLDERS

2018 was a year of monumental significance for the Group as we got listed on the Main Board of the Stock Exchange on 14 December 2018, raising gross proceeds of approximately HK$3.5 billion. With the boost in capital, the Group is well-positioned to further grasp opportunities arising in the global tourism and leisure markets. I am pleased to present our first annual results as a publicly listed company for the year ended 31 December 2018 to our Shareholders.

Despite of global volatile and challenging environment in 2018, the Group has made encouraging progress which has reflected in its financial results. Our total revenues increased by 37.9% to RMB16,269.8 million in 2018, compared with RMB11,799.4 million in 2017. Gross profit increased by 86.4% to RMB5,276.0 million in 2018, compared with RMB2,830.3 million in 2017. Adjusted EBITDA increased to RMB2,073.0 million in 2018, compared with RMB746.3 million in 2017. Net profit was turned around with net profit amounted to RMB389.1 million in 2018 against the net loss of RMB295.0 million in 2017.

The sound financial performance has demonstrated the Group's strong capability to execute business strategies and its business operation as well as the strength of its innovative FOLIDAY ecosystem. We aim to integrate the concepts of tourism and leisure activities into everyday life, allowing families around the world to have exclusive, user-friendly and happy experience of travel and leisure. The FOLIDAY ecosystem has three distinctive competitive edges as follows:

– We own or have strategic partnerships with a portfolio of world-renowned brands of hotels or resorts. Our resort operation business under the brand of Club Med, was founded in 1950 and is well-known worldwide for its holiday services. Our Atlantis Sanya is one of the two Atlantis projects in the world. We also have strategic partnership with Thomas Cook, Mattel and Cirque du Soleil with various services and solutions.

– We have built up a portfolio of attractive resorts and destinations which are scarce tourism resources themselves all over the world. We are the largest ski resorts provider in Europe in term of number of resorts and have four ski resorts in Asia. We have numerous sun resorts in desirable vacation destinations all over the world and we are developing tourism destination projects in popular tourism attractions in China, such as Sanya, Lijiang and Taicang.

– Our extensive tourism related service and solutions take care of all the needs of the customers, all the way from planning, booking to enjoyment of the tourism facilities and activities, including entertainment and kids activities.

Our resort business under Club Med brand has demonstrated strong performance in 2018. The business volumes increased by 8.0% in 2018 compared with 2017 and the recurring operating profit of resort operation increased by 41.8% in 2018. With the upscale strategy, our resort capacities increased by 8.9% in 2018 and 80.1% of them are 4&5 Trident resort capacities. The internationalization diversity of the Group's customer base and our business presence in tourist destinations help to strengthen our profitability. In 2018, the number of our customers from Asia Pacific region increased by 14.4% and particularly, customers from Greater China increased by 21.6%. In addition, its Happy Digital program has been widely implemented as an innovative means of serving customers and enhancing their satisfaction.

Atlantis Sanya, our first tourism destination project located in Sanya, has approved to be an icon of tourism upgrading v3.0 of Sanya, Hainan. Since its soft opened in February 2018 and officially opened in April 2018, Atlantis Sanya contributed RMB752.0 million operation revenue and the number of customer visits to Atlantis Sanya reached 3.2 million in 2018. In addition, we have delivered 764 apartment units of Tang Residence in 2018 and 147 units have been operated and managed by our Albion brand to provide more accommodation capacity in Sanya. In addition to Atlantis Sanya, we will also embark on two other tourist destination projects by starting the construction of Lijiang International Foliday Zone and Taicang Foliday European Town in 2019, which will have well-designed tourist attractions for sightseeing, resorts and other types of accommodation, facilities for leisure and entertainment, customized vacation inns and residences, and various kinds of entertainment and cultural activities. We believe that the projects in Lijiang and Taicang will generate significant returns in the next few years.

In addition, we have launched various tourism-related services and solutions, including the resident show C in Atlantis Sanya, a playing-and-learning club for kids through cooperation with Mattel, and our FOLIDAY platform for family-oriented, tourism- and leisure-related services and our joint venture with Thomas Cook in China. Through these endeavours, we have enriched offerings of distinctive vacation experiences and expanded the distribution channel. The different offerings interact with synergies and enable us to realize one-stop services.

Our vision is to bring greater happiness to global families, we will continue to strive to enhance brand awareness, guest satisfaction and customer loyalty. We will also seek more scarce valuable tourism resources and enhance the ecosystem of our businesses by offering integrated tourism products with enriched contents under various brands and characteristics. In addition, we will further leverage our global resources, network and talents to strength our leadership in global leisure tourism market with increase in inter-regions flow of customers and our services.

Finally, I would like to extend my gratitude to our management and employees for their contributions, commitment, to thank our Board for its guidance and support. We will continue to work diligently and conscientiously so as to reward our Shareholders for their confidence in the Company with good returns.

Sincerely
Qian Jiannong
Chairman

15 March 2019

BUSINESS REVIEW

Our Group is one of the leading leisure-focused integrated tourism groups and the largest leisure tourism resorts group worldwide, in term of revenue in 2017 according to Frost & Sullivan. Through our lifestyle proposition, "Everyday is Foliday", we see to infuse concepts of tourism and leisure into everyday living, and provide tailor-made, one-stop solutions through our FOLIDAY global ecosystem. We either own or have strategic partnerships with a portfolio of world-renowned brands including Club Med, Atlantis, Thomas Cook, and Mattel. Our principal business activities include:

- **Resorts**

  We primarily offer premium resort service through the brand of Club Med. Headquartered in France, Club Med was founded in 1950 and is a world-renowned provider of family-focused all-inclusive holiday experiences. As of 31 December 2018, we operated in more than 40 countries and regions spanning six continents through our sales and marketing activities and operations of 67 resorts, of which 40 resorts were in EMEA (including a cruise ship), 12 resorts in the Americas and 15 resorts in Asia Pacific (including six resorts in China). In terms of operating model, 17 resorts are under ownership model, 41 resorts are under lease model and 9 resorts are under management contract model. The following table set out the Capacity of Resorts by type of resorts:

	As of 31 December	
Type of resorts	**2018**	2017
	'000	*'000*
Capacity		
Mountain	**2,254.4**	1,986.8
Sun	**9,267.2**	9,059.3
Club Med Joyview	**509.2**	–
Total	**12,030.8**	11,046.1
4&5 Trident %	**80.1%**	78.4%

  We offer global customers a friendly and multi-cultural all-inclusive holiday experience under Club Med brand. The following table summarizes our key information for the years ended 31 December 2018 and 2017.

The following table sets out certain key information with respect to our resort business:

	For the years ended 31 December	
	2018	2017
Business Volume(RMB Millions)	**12,633.4**	11,699.4
Capacity of Resorts (in thousands)	**12,031**	11,046
Occupancy Rate by Bed	**66.0%**	68.7%
Average Daily Bed Rate (RMB)	**1,274.8**	1,218.9
Revenue per Bed (RMB)	**845.4**	845.5

In light of evolving trends in the industry, we have focused on the below initiatives:

Upscale – Enhancing upscale and premium offerings: As of 31 December 2018, our 4&5 Trident resort capacities increased from 78.4% in 2017 to 80.1%. We opened 5 new resorts in 2018, including Tomamu Hokkaido, Cefalu, Anji, Golden Coast and Les Arcs Panorma, all of which are 4&5 Trident. In addition, we extended and renovated five resorts with increased capacities and high quality facilities and closed 5 resorts of 3 Trident under lease agreements. Our capital expenditure of resort business incurred in 2018 was approximately RMB780.5 million with positive free cash flow. In light of the upscale strategy, our Average Daily Bed Rate increased from RMB1,160 in 2016 to RMB1,219 in 2017 and RMB1,275 in 2018.

Globalization – Balancing markets and destinations to secure profitability: In 2018, the number of resort customers booked outside EMEA region increased to 52.5% in 2018 from 50.7% in 2017 and customers from Asia Pacific increased by 14.4% in 2018. Customers from Great China increased from 199,700 in 2017 to 243,000 in 2018, making Greater China became the second largest customer-contributing market. In addition, our resort capacities in Asia Pacific increased by 25% in 2018.

Happy Digital & C2M Strategy – Digital on customer emotion amplification and operation efficiency: Direct sales through the sales network of Club Med increased from 63.4% in 2017 to 65.1% in 2018 with extension of various online sales channels and platforms. We implemented various IT systems and tools in revenue management, customer services and operations, including AI technologies. We initiated Amazing You programs with innovative resort experience, including digital bracelets, new mobile applications with cashless payment, easy check in/out and other innovative solutions.

In addition, we are the largest ski resort provider in Europe in terms of number of resorts in 2017. We operate 18 mountain resorts in three countries in Europe and 4 in two countries in Asia. We plan to further leverage our strength on fast growing ski areas and massive potential customer markets. Our capacities of mountain resorts increased by 13.5% in 2018 and the Average Daily Rate of mountain resorts increased by 5.1% in 2018 as compared to 2017. Our customers from Asia Pacific visited our ski resorts increased by 82.4% from 44,649 in 2017 to 81,430 in 2018. In addition, we entered in a memorandum of understanding with the Winter Sports Administration Center of the General Administration of Sports of China in 2018 to facilitate its training programs with our resorts in Europe. This cooperation will significantly raise the standards of skiing experience in Mainland China.

Club Med is also collaborating with global leading ski instructors, Ecole du Ski Francais (ESF), to deliver advanced skiing programs to China's winter sports enthusiasts. A partnership, China Ski Academy, has been launched at the beginning of 2019 by Club Med and ESF.

As of 2 March 2019, the cumulative bookings for the six months ending 30 June 2019, expressed in business volume, was up approximately 5.2% compared to the bookings as of 2 March 2018 for the six months ended 30 June 2018, at constant exchange rate.

We have strong pipelines to open new resorts in the future by taking into account the attractiveness to target customers, scarcity of natural resources, uniqueness of cultural heritage and accessibility of transportation infrastructure. Starting from 2019, we have plan to open a series of resorts in the next few years, including a resort in l'Alpe d'Huez in France, a resort located in Michès Playa Esmeralda in the Dominican Republic, a Club Med Joyview in Yanqing, China, a new chalets-apartments in Grand Massif Samoens Morillon in France, a seaside resort in Marbella, Spain, a resort on the Sainte Anne Island, Seychelles and a mountain resort in Quebec Charlevoix, Canada.

- **Tourism destinations**

We develop, operate and manage tourism destinations, which comprise tourism resources and tourism vacation facilities. As of 31 December 2018, the main tourism destination projects include:

Atlantis Sanya[1]

Our Atlantis Sanya tourism destination zone, Atlantis Sanya, is located on the Haitang Bay National Coast of Sanya in Hainan province, China. Atlantis Sanya includes 1,314 premium guest rooms offering ocean views, one of China's largest natural seawater aquariums, a themed Waterpark with a total area of approximately 200,000 square meters, high quality food and beverage services, over 5,000 square meters of space for MICE activities and other recreational activities such as a shopping center. The Group commenced construction of Atlantis Sanya in 2014. Atlantis Sanya had its soft opening in February 2018 and officially opened on 29 April 2018. The following table illustrate some key operating information of Atlantis Sanya:

Item	**Period from 15 February 2018 to 30 June 2018**	**For the quarter ended 30 September 2018**	**For the quarter ended 31 December 2018**
Business Volume (RMB'000)	204,898.6	291,118.5	256,040.5
Room revenue (RMB'000)[2]	107,733.6	174,888.5	146,475.5
Other operating revenue (RMB'000)[3]	97,165.0	116,230.0	109,565.0
Occupancy Rate by Room	47.5%	73.0%	55.8%
Average Daily Rate by Room (RMB)	1,562.0	1,982.0	2,190.0
RevPar by Room (RMB)	742.0	1,447.0	1,221.0

1 Atlantis Sanya is owned by the Group and managed by Kerzner, except for Tang Residence.

2 Our room guests have free access to the Aquarium and Waterpark.

3 This mainly includes (i) the revenue from the Aquarium and the Waterpark and (ii) the revenue from the food and beverage and other services provided.

During 2019 Chinese New Year vacation period (i.e. from 4 February 2019 to 19 February 2019), Atlantis Sanya recorded operation revenue of RMB150.4 million, including room revenue of approximately RMB77.8 million with Occupancy Rate by Room of approximately 93.0% and other operating revenue of approximately RMB72.6 million.

Tang Residence

Atlantis Sanya includes 1,004 saleable residential vacation units, called Tang Residence, including 197 villas and 807 vacation apartments. Tang Residence is located in a coastal area of Haitang Bay with a total GFA of approximately 161,082 square meters. As of 31 December 2018, the Group had entered into purchase agreements for the sale of 966 units, including 183 out of 197 villas and 783 out of 807 apartments, among which, the Group had transferred 764 apartments to customers in 2018 and RMB3,393.3 million of contract liabilities was recognized as revenue in 2018. The remaining apartments and villas are expected to be transferred starting from 2019 subject to applicable laws and regulations.

After we pre-sold the vacation units, property owners of over 200 units of Tang Residence have signed the management agreements for us to manage and provide these units to visitors as an alternative accommodation choice as of 31 December 2018. We commenced the operation of 147 units of apartments in January 2019.

Lijiang International FOLIDAY Vacation Zone[1]

As of 31 December, 2018, we have obtained the land use right to construct a tourism destination with a total GFA of approximately 350,000 square meters in Baisha town in Lijiang city, Yunnan province in southwestern China (the "Lijiang Project"). We position the Lijiang Project as an international tourism destination targeting mid- to high-end customers and plan to combine comprehensive tourism and leisure features, such as sightseeing attractions, resort and other accommodations, leisure entertainment facilities, customized vacation inns and residences, performances, local activities and tours which could be operated and managed by us or our strategic partners. We have started the construction of Club Med resort in February 2019 and other portion was under design phase and will commence construction in stages. The project will be completed in stages starting from either late 2020 or early 2021 and achieve full completion in the following two to three years. As of 31 December 2018, the total cost incurred for the Lijiang Project was approximately RMB536.0 million.

Taicang FOLIDAY European Town[1]

As of 31 December 2018, we have entered into agreements and fully paid up the prices of RMB2,312.4 million for our acquisitions of land use rights of land parcels of over 483,000 square meters in total in Taicang city, Jiangsu province in East China (the "Taicang Project"). We plan to offer various themed experiences and tourism features, including but not limited to one of the largest indoor snow slope in East China, a water park, a European style commercial street, and saleable vacation units.

[1] The name is subject to change with the project status.

In 2018, we entered into an agreement with Compagnie des Alpes ("CDA"), one of the world's leading ski resort operators based in France, to provide design and technical service for indoor ski slope. As of 31 December 2018, the Taicang Project was under design, and the construction started in 2019 and expected to be completed in stages starting from late 2020 and achieve full completion in the following three to four years. As of 31 December 2018, the total cost incurred for the Taicang Project was approximately RMB2,327.2 million, which was mainly the consideration paid for our land acquisitions.

Management of tourism destinations

Albion manages and operates tourism destination in many regions of China, such as Zhejiang, Jiangsu, Jiangxi, and Guangdong provinces. Albion started to manage and operate the apartments in Atlantis Sanya in January 2019.

- **Services and solutions in various tourism and leisure settings**

We provide services and solutions in various tourism and leisure settings.

(i) Entertainment, other tourism- and culture-related services

Other than operation and promotion of the Cirque du Soleil's entertainment show "Toruk-The First Flight" in Sanya in early 2018, we launched a modern show, the resident show C which involves creative inputs from world-class creators and artists and integrated with advanced stage technologies, started to be performed at the Dolphin Cay theatre of Atlantis Sanya in February 2019. We also commenced the operation of our Miniversity, a one-stop international learning and playing club for children under the joint venture with Mattel, a global leader in learning and developing through play and the owner of the copyrights and trademarks of Fisher-Price, Thomas & Friends, MEGA, Hot Wheels, Bob the Builder and Barbie. Under the joint venture agreement, we hold 70% of equity interest in the joint venture and Mattel holds 30%. We started our first Miniversity club in Atlantis Sanya in February 2018 and launched two Miniversity in shopping malls located in Shanghai in March 2019. We will further expand into other tourism destinations and urban areas in the near future.

(ii) Platform for family-focused tourism- and leisure-related offerings

Other than direct and indirect sales channels owned or utilized by Club Med, we also launched our FOLIDAY platform to provide and distribute tailor-made tourism and leisure solutions for family. Through our FOLIDAY platform, including the FOLIDAY mobile app, Wechat account and our travel agencies, we further provide membership services through our membership royalty programs. In addition, we established two joint ventures with Thomas Cook, Kuyi International Travel Agency (Shanghai) Co., Ltd. and Kuyi International Travel Agency (Sanya) Co., Ltd., in China as travel agents and a part of our sales network. Kuyi is jointly controlled by us and Thomas Cook with equity interest of 51% and 49%, respectively. As of 31 December 2018, we held an approximate 6.7% equity interest in Thomas Cook. The business volume of FOLIDAY platform increased by 152.3% for the two months ended 28 February 2019 compared to the same period of 2018.

LOYALTY PROGRAMMES MEMBERSHIP

Club Med launched its Great Member loyalty program in 2009. As of 31 December 2018, Club Med had approximately 3.9 million Great Members, all of whom purchased Club Med's products at least once during the three years ended 31 December 2018. In March 2018, we launched the Foryou Club membership system in China and have integrated members from various of our brands in the FOLIDAY ecosystem, including but not limited to Atlantis Sanya, Club Med's Great Members from China, FOLIDAY app and other members from various activities and services we provide. In addition, Foryou Club is integrated with Fosun International's Youle Customer Loyalty Program. Since its initiation from 1 March 2018 to 31 December 2018, Foryou Club has accumulated approximately 3 million members and the average monthly purchase by the members is approximately RMB4.18 million.

MANAGEMENT DISCUSSION AND ANALYSIS

Selected Items of Consolidated Statement of Profit or Loss

	2018	2017
	RMB'000	*RMB'000*
REVENUE	**16,269,819**	11,799,394
Cost of revenue	**(10,993,771)**	(8,969,045)
Gross profit	**5,276,048**	2,830,349
Other income and gains, net	**42,809**	208,510
Selling and distribution expenses	**(2,291,700)**	(2,170,996)
General and administrative expenses	**(1,285,322)**	(794,474)
Finance costs	**(436,905)**	(433,092)
Share of profits and losses of:		
Joint ventures	**(13,635)**	(19,290)
Associates	**2,093**	1,478
PROFIT/(LOSS) BEFORE TAX	**1,293,388**	(377,515)
Income tax (expense)/credit	**(904,267)**	82,519
PROFIT/(LOSS) FOR THE YEAR	**389,121**	(294,996)
Attributable to:		
Equity holders of the Company	**308,441**	(196,502)
Non-controlling interests	**80,680**	(98,494)
	389,121	(294,996)

Revenue: Our revenue increased by 37.9% from RMB11,799.4 million in 2017 to RMB16,269.8 million in 2018, mainly attributable to the strong performance of our resort operation and tourism destinations business.

Resorts: Revenue increased by 2.2% from RMB11,758.4 million in 2017 to RMB12,017.0 million in 2018, primarily due to resort operation revenue increased by 6.8% with amount of RMB613.8 million, partially offset by one-off constructive service revenue in 2017. The increase of resort operation revenue was driven by a combination of growth in Bed Nights Sold and Average Daily Bed Rate.

Tourism destinations: Revenue increased by RMB4,151.2 million from RMB13.9 million in 2017 to RMB4,165.1 million in 2018, primarily due to the operation of Atlantis Sanya and delivery of property units in Tang Residence. Atlantis Sanya had its soft opening in February 2018 and official opening in April 2018 and recorded operation revenue of approximately RMB752.0 million in 2018. Meanwhile, 764 pre-sold apartment units in Tang Residence were delivered to customers as of 31 December 2018 and RMB3,393.3 million was recognized as revenue accordingly.

Services and solutions in various tourism and leisure settings: Revenue increased by 396.3% from RMB27.0 million in 2017 to RMB134.1 million in 2018, primarily driven by revenue generated from online and offline travel services through our travel agency and Foliday platform.

Revenue by business segment

	For the years ended 31 December			
	2018		2017	
	RMB'000	*%*	*RMB'000*	*%*
Resorts	**12,017,013**	**73.9%**	11,758,411	99.7%
– Resort operation	**9,696,020**	**59.6%**	9,082,241	77.0%
– Tourism related property sales and construction service	**50,633**	**0.3%**	492,178	4.2%
– Tourism and leisure services and solutions	**2,270,360**	**14.0%**	2,183,992	18.5%
Tourism destinations	**4,165,126**	**25.6%**	13,939	0.1%
– Tourism destination operation	**771,865**	**4.7%**	13,939	0.1%
– Tourism related property sales and other construction services	**3,393,261**	**20.9%**	–	0.0%
Services and solutions in various tourism and leisure settings	**134,130**	**0.8%**	27,044	0.2%
Inter segment eliminations	**(46,450)**	**-0.3%**	–	–
Total	**16,269,819**	**100.0%**	11,799,394	100.0%

Cost of revenue, gross profit and gross profit margin by business function: Cost of revenue increased by 22.6% from RMB8,969.0 million in 2017 to RMB10,993.8 million in 2018, which is in line with revenue growth.

Our gross profit increased by 86.4% from RMB2,830.3 million in 2017 to RMB5,276.0 million in 2018. Except of the strong performance of tourism related property sales and construction services, which contributed RMB1,981.0 million additional gross profit in 2018, our gross profit of resorts and destination operations increased RMB444.3 million, representing of 17.9% growth year-over-year, which was mainly due to our upscale strategy of resort business and the resorts under management contract operating models increased in 2018 leading to higher gross profit, and the operation of Atlantis Sanya contributed more gross profit in 2018.

Gross profit margin of resort and destination operations increased from 27.2% in 2017 to 28.0% in 2018. Gross profit margin of tourism-related property sales and construction services increased substantially from 6% in 2017 to 58.4% in 2018, primary due to the delivery of pre-sold apartment units of Tang Residence.

Cost of revenue by business function

	For the years ended 31 December			
	2018		2017	
	RMB'000	*%*	*RMB'000*	*%*
Resorts and destination operations	**7,504,838**	68.3%	6,618,689	73.8%
Tourism-related property sales and construction services	**1,433,293**	13.0%	462,619	5.2%
Tourism and leisure services and solutions	**2,055,640**	18.7%	1,887,737	21.0%
Total	**10,993,771**	100.0%	8,969,045	100.0%

Gross Profit and Gross Profit Margin

	For the years ended 31 December			
	2018		2017	
	Gross Profit	**GP Margin**	Gross Profit	GP Margin
	RMB'000	*%*	RMB'000	%
Resorts and destination operations	**2,921,751**	**28.0%**	2,477,491	27.2%
Tourism-related property sales and construction services	**2,010,601**	**58.4%**	29,559	6.0%
Tourism and leisure services and solutions	**343,696**	**14.3%**	323,299	14.6%
Total	**5,276,048**	**32.4%**	2,830,349	24.0%

Other income and gain, net

We had a net gain of RMB208.5 million in 2017 and a net gain of RMB42.8 million in 2018. The decrease was primarily due to one-off gain on the disposal of a certain subsidiary of RMB192.5 million in 2017.

Selling and marketing expenses

Our selling and marketing expenses grew by 5.6% from RMB2,171.0 million in 2017 to RMB2,291.7 million in 2018. This increase amounted to RMB120.7 million was mainly due to (i) increase in sales commission of RMB100.2 million related to sales of the tourism-related residential units at Atlantis Sanya, (ii) increase in advertising and promotion of RMB74.1 million due to expanded sales and marketing efforts of both Club Med and Atlantis Sanya, offset by decrease in amortized brand royalty fee of RMB71.0 million compared with 2017.

General and administrative expense

General and administrative expenses increased by 61.8% from RMB794.5 million in 2017 to RMB1,285.3 million in 2018. The increase was primarily due to (i) an increase in wages, salaries and employee benefits of RMB165.6 million, largely from the period before the official opening of Atlantis Sanya and increased employees at headquarter, (ii) equity-settled share-based payments of RMB104.2 million, (iii) expenses related to this Listing of RMB56.1 million and (iv) the preparation and organization expenses related to the official opening of Atlantis Sanya of RMB67.3 million.

Operating profit by segment

Our operating profit and loss increased RMB1,875.3 million from RMB75.5 million in 2017 to RMB1,950.8 million in 2018.

	For the years ended 31 December			
	2018		2017	
	RMB'000	*%*	*RMB'000*	*%*
Resorts	**446,026**	**22.9%**	464,445	615.2%
Tourism destinations	**1,557,776**	**79.9%**	(380,808)	-504.4%
Services and solutions in various tourism and leisure settings	**(52,998)**	**-2.8%**	(8,136)	-10.8%
Total	**1,950,804**	**100.0%**	75,501	100.0%

Resort: Operating profit decreased from RMB464.4 million in 2017 to RMB446.0 million in 2018. Excluding the non-recurring operating items, the recurring operating profit increased from RMB286.4 million in 2017 to RMB406.2 million in 2018. Non-recurring operating items of resort operation included impairment and provisions, restructuring, gain/(loss) on the fair value change of financial assets at fair value through profit or loss.

Tourism destinations: Operating profit changed from operating loss of RMB380.8 million in 2017 to operating profit of RMB1,557.8 million in 2018. The operating profit in 2018 primarily included property sales profit of RMB1,780.6 million, which was mitigated by preparation and operation costs before Atlantis Sanya official opening amounted to RMB187.2 million in 2018.

Services and solutions in various tourism and leisure settings: Operating loss of this segment increased by RMB44.9 million in 2018 due to the ramping up of entertainment and tourism-related business in 2018, leading to more cost and expenses than revenue expansion at the early stage.

Finance costs

Finance costs net of capitalized interest increased from RMB433.1 million in 2017 to RMB436.9 million in 2018. The interest rates of borrowings in 2018 were approximately between 2.75% to 7.00%, as compared with approximately between 2.75% and 6.34% for the same period of last year.

Income tax (expense)/credit

Income tax expense was RMB904.3 million in 2018 comparing with income tax credit RMB82.5 million in 2017. The increase in tax expenses was mainly resulted from land appreciation tax of RMB588.7 million related to tourism related property sales business and income tax expense generated from the profit position in 2018.

Non-IFRS Measures

To supplement the presentation of our historical financial information with certain non-IFRS accounting measures including EBITDA, Adjusted EBITDA, and adjusted net profit/(loss). We adjust EBITDA and net profit/(loss) to eliminate the effect of certain non-cash items and one-time events including the interest owed to related companies for reorganization, equity-settled share-based payments and listing expenses. These non-IFRS financial measures are used by our management to evaluate our financial performance by eliminating the impact of certain non-cash items and one-time events and help investors understand and evaluate the consolidated performance results of our underlying business across accounting periods. The specific definition and calculation of EBITDA and the other Non-IFRS accounting measures can differ from other companies, so such measures presented herein may not be comparable to similarly named measures presented by other companies. From time to time in the future, there may be other items that the Company may exclude in reviewing its financial results.

ADJUSTED EBITDA

	2018	2017
	RMB'000	*RMB'000*
Income/(Loss) before income tax	**1,293,388**	(377,515)
Adjustment:		
Depreciation	**654,454**	521,801
Amortization	**116,593**	168,935
Finance costs	**436,905**	433,092
Land appreciation tax	**(588,668)**	–
EBITDA	**1,912,672**	746,313
Add:		
Listing expenses	**56,142**	–
Equity-settled share-based payments	**104,224**	–
Adjusted EBITDA[(1)]	**2,073,038**	746,313

(1) Adjusted EBITDA including the preparation and operation costs of Atlantis Sanya for the years ended 31 December 2017 and 2018, before the official opening in April 2018, were RMB155.8 million and RMB187.2 million, respectively.

Adjusted EBITDA

Adjusted EBITDA increased from RMB746.3 million in 2017 to RMB2,073.0 million in 2018.

Resort: Adjusted EBITDA of resorts decreased by 2.5% from RMB1,053.8 million in 2017 to RMB1,025.7 million in 2018 mainly due to the change of non-recurring operating items, which including impairment and provisions, restructuring cost, gain/(loss) on the fair value change of financial assets at fair value through profit or loss, and disposal. Excluding the impact of those non-recurring items, adjusted EBITDA of recurring operation for resorts increased from RMB875.3 million in 2017 to RMB987.4 million in 2018.

Tourism destination: Adjusted EBITDA of tourism destination operation changed from negative RMB278.0 million to positive RMB1,162.0 million. The adjusted EBITDA in 2018 mainly included property sales of Tang Residence of RMB1,234.8 million and operation of Atlantis Sanya amounted to RMB134.0 million, which was mitigated by preparation and operation costs before its official opening amounted to RMB187.2 million.

Services and solutions in various tourism and leisure settings: Adjusted EBITDA loss of services and solutions in various tourism and leisure settings increased from RMB27.4 million in 2017 to RMB66.0 million in 2018.

Adjusted net profit/(loss)

	2018	2017
	RMB'000	*RMB'000*
Net profit/(loss)	**389,121**	(294,996)
Add:		
Interest to related companies prior to reorganization(1)	**30,190**	105,901
Listing expenses	**56,142**	–
Equity-settled share-based payments	**104,224**	–
Adjusted net profit/(loss)(2)	**579,677**	(189,095)

Notes:

(1) Interest to related companies include the interest on loans with Fosun Industrial and Fosun Property which were settled upon reorganization in May 2017 and the interest on convertible bonds and convertible redeemable preferred shares of Fidelidade which was settled in May 2018.

(2) Adjusted net profit (loss) including the preparation and operation costs of Atlantis Sanya for the years ended 31 December 2017 and 2018, before the official opening in April 2018, were RMB155.8 million and RMB187.2 million, respectively.

Capital expenditures

Our major capital expenditures primarily consist of expenditures to land use rights and property, plant and equipment. We funded our capital expenditures from our internal resources, proceeds from share offerings, bank borrowings, finance leases, and related company loans. The amount of capital expenditures of the Group for the years ended 31 December 2017 and 2018 was RMB2,165.0 million and RMB2,788.2 million, respectively. The increase mainly due to increase of prepaid land lease payments for tourism-related land use right of Taicang Project, partially offset by decrease of expenditures related to property, plant and equipment of Atlantis Sanya after the completion of its construction in early 2018. Our capital expenditures mainly related to investments in tourism destinations in China, the upgrade or renovation of existing resorts, and investments in digital technology.

Indebtedness, liquidity and financial resources of the group

Our Group funds our investments and operations principally with cash generated from our operations, bank and other borrowings, funds raised from the capital market, related party borrowings and capital investments by our Controlling Shareholders. As of 31 December 2018, we had cash and cash equivalents of approximately RMB1.8 billion. The following table set outs our cash flows for the periods indicated:

	2018	2017
	RMB Billion	*RMB Billion*
Net cash flows generated from operating activities	**0.6**	3.3
Net cash flows used in investing activities	**(3.1)**	(2.3)
Net cash flows from/(used to) financing activities	**3.3**	(1.4)
Cash and cash equivalents at end of the year	**1.8**	1.0

Our indebtedness included interest-bearing bank borrowings, convertible bonds, convertible redeemable preferred shares and finance lease payable. As of 31 December 2018, the total amount of interest-bearing bank borrowing was RMB5,426.5 million, which RMB752.4 million was repayable within one year.

Capital Structure

The Company continued to maintain a healthy and sound financial position. Our total assets increased from RMB29,329.8 million as of 31 December 2017 to RMB29,532.3 million as of 31 December 2018, and our total liabilities decreased from RMB24,782.3 million as of 31 December 2017 to RMB21,217.1 million as of 31 December 2018. Our current ratio decreased from 0.8 as of 31 December 2017 to 0.7 as of 31 December 2018 primarily due to decrease in the amounts due from related companies, which was partially offset by a decrease in contract liabilities. Our gearing ratio decreased from 22.1% as of 31 December 2017 to 14.0% as of 31 December 2018 primarily due to (i) our total debt decreased with the redemption of convertible bonds and convertible redeemable preferred shares. (ii) our cash and cash equivalents increased due to receipt of the proceeds from share offerings.

Exchange Rate Fluctuation

The Group has resorts and commercial operations in over 40 countries and regions which are exposed to foreign exchange risk arising from various currency exposure. Major currencies for our commercial transaction included the Euro, U.S. dollar, British Pound, Hong Kong dollar and Canadian dollar. We engage in hedging transactions to limit the impact of changes in interest rates, indebtedness and the effects of changes in foreign exchange rates on commercial operation and to reduce our exposure to market volatility. For the years ended 31 December 2017 and 2018, we recorded foreign exchange loss of RMB5.3 million and RMB2.6 million, respectively in other (expenses)/income and gains. In addition, for the years ended 31 December 2017 and 2018 we recorded loss of RMB396.4 million and gain of RMB35.1 million exchange difference on translation of foreign operations in exchange reserve in other comprehensive income.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2018

	Notes	**2018** **RMB'000**	2017 *RMB'000*
REVENUE	*3*	**16,269,819**	11,799,394
Cost of revenue		**(10,993,771)**	(8,969,045)
Gross profit		**5,276,048**	2,830,349
Other income and gains, net	*4*	**42,809**	208,510
Selling and marketing expenses		**(2,291,700)**	(2,170,996)
General and administrative expenses		**(1,285,322)**	(794,474)
Operating profit		**1,741,835**	73,389
Finance costs	*6*	**(436,905)**	(433,092)
Share of profits and losses of:			
Joint ventures		**(13,635)**	(19,290)
Associates		**2,093**	1,478
PROFIT/(LOSS) BEFORE INCOME TAX	*5*	**1,293,388**	(377,515)
Income tax (expense)/credit	*7*	**(904,267)**	82,519
PROFIT/(LOSS) FOR THE YEAR		**389,121**	(294,996)
Attributable to:			
Equity holders of the Company		**308,441**	(196,502)
Non-controlling interests		**80,680**	(98,494)
		389,121	(294,996)
EARNINGS/(LOSSES) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY:	*9*		
Basic			
– For profit/(loss) for the year (RMB)		**0.31**	(0.39)
Diluted			
– For profit/(loss) for the year (RMB)		**0.30**	(0.39)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2018

	2018 *RMB'000*	2017 *RMB'000*
PROFIT/(LOSS) FOR THE YEAR	**389,121**	(294,996)
OTHER COMPREHENSIVE INCOME		
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 year	**34,116**	(39,599)
Reclassification adjustments for gains included in the consolidated statements of profit or loss	**26,758**	19,145
Exchange differences on translation of foreign operations	**35,102**	(396,366)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	**95,976**	(416,820)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Actuarial reserve relating to employee benefits	**(106,078)**	(6,364)
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	**(774,011)**	(18,379)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	**(880,089)**	(24,743)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	**(784,113)**	(441,563)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(394,992)**	(736,559)
Attributable to:		
Equity holders of the Company	**(405,013)**	(448,470)
Non-controlling interests	**10,021**	(288,089)
	(394,992)	(736,559)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2018

	Notes	2018 *RMB'000*	2017 *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**10,153,134**	9,712,461
Prepaid land lease payments		**1,339,883**	832,732
Intangible assets		**2,624,720**	2,525,089
Goodwill		**1,737,345**	1,727,382
Investments in joint ventures		**–**	3,435
Investments in associates		**158,586**	143,672
Financial assets at fair value through profit or loss		**363,845**	18,499
Equity investments designated at fair value through other comprehensive income		**309,438**	190,064
Properties under development		**1,124,014**	486,282
Due from related companies		**20,400**	59,885
Prepayments, other receivables and other assets		**1,556,763**	475,601
Deferred tax assets		**241,978**	259,507
Total non-current assets		**19,630,106**	16,434,609
CURRENT ASSETS			
Inventories		**178,640**	151,099
Completed properties for sale		**1,243,892**	27,581
Properties under development		**1,046,604**	2,433,876
Trade receivables	*10*	**772,353**	989,937
Contract assets and other assets		**59,313**	103,201
Prepayments, other receivables and other assets		**2,450,631**	2,364,453
Due from related companies		**1,933,349**	5,029,720
Derivative financial instruments		**54,664**	35,181
Financial assets at fair value through profit or loss		**–**	130,000
Restricted cash		**287,791**	640,450
Cash and cash equivalents		**1,874,998**	989,723
Total current assets		**9,902,235**	12,895,221

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

31 December 2018

	Notes	2018 RMB'000	2017 RMB'000
CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**752,377**	712,283
Contract liabilities		**4,434,605**	6,573,325
Trade payables	*11*	**1,870,767**	1,244,064
Accrued liabilities and other payables		**4,742,855**	4,457,659
Tax payable		**730,616**	286,111
Finance lease payables		**6,647**	6,312
Due to related companies		**1,975,348**	3,348,278
Derivative financial instruments		**49,516**	78,109
Total current liabilities		**14,562,731**	16,706,141
NET CURRENT LIABILITIES		**(4,660,496)**	(3,810,920)
TOTAL ASSETS LESS CURRENT LIABILITIES		**14,969,610**	12,623,689
NON-CURRENT LIABILITIES			
Convertible redeemable preferred shares		**163,136**	588,387
Convertible bonds		**330,369**	1,188,672
Interest-bearing bank borrowings		**4,674,114**	4,899,270
Finance lease payables		**73,372**	79,989
Deferred income		**120,720**	121,591
Other long term payables		**589,646**	473,629
Deferred tax liabilities		**703,055**	724,662
Total non-current liabilities		**6,654,412**	8,076,200
Net assets		**8,315,198**	4,547,489
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**174**	–
Reserves		**8,036,866**	4,617,490
		8,037,040	4,617,490
Non-controlling interests		**278,158**	(70,001)
Total equity		**8,315,198**	4,547,489

1.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") (which include all International Financial Reporting standards, International Accounting Standards and interpretations ("IASs")) approved by the International Accounting Standards Board (the "IASB") and requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for derivative financial instruments, financial assets at fair value through profit or loss, equity investments designated at fair value through other comprehensive income and defined benefit plan. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

The Group has net current liabilities of RMB4,660,496,000 as at 31 December 2018. Having taken into account of the expected cash flows from operating and financing activities and the fact that the contract liabilities included in current liabilities in the amount of RMB4,434,605,000 at 31 December 2018 which will be recognised as revenue and not result in cash outflows in the next twelve months from the end of the year, the Directors consider that it is appropriate to prepare the financial statements on a going concern basis.

1.2 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to IFRS 3	*Definition of a Business*[2]
Amendments to IFRS 9	*Prepayment Features with Negative Compensation*[1]
Amendments to IFRS 10 and IAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
IFRS 16	*Leases*[1]
IFRS 17	*Insurance Contracts*[3]
Amendments to IAS 1 and IAS 8	*Definition of Material*[2]
Amendments to IAS 19	*Plan Amendment, Curtailment or Settlement*[1]
Amendments to IAS 28	*Long-term Interests in Associates and Joint Ventures*[1]
IFRIC Interpretation 23	*Uncertainty over Income Tax Treatments*[1]
Annual Improvements 2015-2017 Cycle	Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23[1]

1 Effective for annual periods beginning on or after 1 January 2019

2 Effective for annual periods beginning on or after 1 January 2020

3 Effective for annual periods beginning on or after 1 January 2021

4 No mandatory effective date yet determined but available for adoption

Further information about those IFRSs that are expected to be applicable to the Group is described below.

1.2 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

Amendments to IFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group expects to adopt the amendments prospectively from 1 January 2020.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognized in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB in December 2015 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

IFRS 16 replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognize assets and liabilities for most leases. The standard includes two elective recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in IAS 40. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under IFRS 16 is substantially unchanged from the accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between operating leases and finance leases. IFRS 16 requires lessees and lessors to make more extensive discourses than under IAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group will adopt IFRS 16 from 1 January 2019. The Group plans to adopt the transitional provisions in IFRS 16 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2019 and will not restate the comparatives. In addition, the Group plans to apply the new requirements to contracts that were previously identified as leases applying IAS 17 and measure the lease liability at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application. The right-of-use asset will be measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before the date of initial application. The Group plans to use the exemptions allowed by the standard on lease contracts whose lease terms end within 12 months as of the date of initial application. During 2018, the Group has performed a detailed assessment on the impact of adoption of IFRS 16. The Group has estimated that right-of-use assets of around RMB8.6 billion and lease liabilities of RMB8.6 billion will be recognised at 1 January 2019. The impact to the opening balance of retained earnings of the Group as at 1 January 2019 is not material.

1.2 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

Amendments to IAS 1 and IAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Group expects to adopt the amendments prospectively from 1 January 2020. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 28 clarify that the scope exclusion of IFRS 9 only includes interests in an associate or joint venture to which the equity method is applied and does not include long-term interests that in substance form part of the net investment in the associate or joint venture, to which the equity method has not been applied. Therefore, an entity applies IFRS 9, rather than IAS 28, including the impairment requirements under IFRS 9, in accounting for such long-term interests. IAS 28 is then applied to the net investment, which includes the long-term interests, only in the context of recognising losses of an associate or joint venture and impairment of the net investment in the associate or joint venture. The Group expects to adopt the amendments on 1 January 2019. The amendments are not expected to have any significant impact on the Group's financial statements.

IFRIC Interpretation 23, addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of IAS 12 (often referred to as "uncertain tax positions"). The interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation is to be applied retrospectively, either fully retrospectively without the use of hindsight or retrospectively with the cumulative effect of application as an adjustment to the opening equity at the date of initial application, without the restatement of comparative information. The Group expects to adopt the interpretation from 1 January 2019. The interpretation is not expected to have any significant impact on the Group's financial statements.

2. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

(a) The resorts segment comprises principally the operation and management of the resorts which offer vacation resort services at a package rate;

(b) The tourism destinations segment comprises principally the development, management and operation of tourism resources and tourism vacation facilities and facilities directly and indirectly supporting tourism; and

(c) The services and solutions in various tourism and leisure settings segment comprises principally development and promotion of the cultural events, performing arts, live entertainment and culture-related services and the operation of online and offline tourism and leisure products and solution platforms.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment operating profits which is calculated based on gross profit less other income and gains, other expenses, selling and marketing expenses and general and administrative expenses. No analysis of the Group's assets and liabilities by operating segment is disclosed as it is not regularly provided to the chief operating decision-maker for review.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

2. OPERATING SEGMENT INFORMATION (CONTINUED)

Year ended 31 December 2018

	Resorts *RMB'000*	**Tourism destinations** *RMB'000*	**Services and solutions in various tourism and leisure settings** *RMB'000*	**Eliminations** *RMB'000*	**Total** *RMB'000*
Segment revenue ***(note 3)***					
External customers	**12,005,592**	**4,135,251**	**128,976**	**–**	**16,269,819**
Inter-segment sales	**11,421**	**29,875**	**5,154**	**(46,450)**	**–**
Total revenue	**12,017,013**	**4,165,126**	**134,130**	**(46,450)**	**16,269,819**
Segment operating profit/(loss)	**446,026**	**1,557,776**	**(52,998)**	**–**	**1,950,804**
Unallocated expenses(*)					**(208,969)**
Total operating profit					**1,741,835**
Finance costs					**(436,905)**
Share of profits and losses of joint ventures					**(13,635)**
Share of profits and losses of associates					**2,093**
Profit before income tax					**1,293,388**

(*) The unallocated expenses for the year ended 31 December 2018 mainly represented the equity-settled share-based payments expenses (note 5), listing expenses (note 5) and other employee benefit expenses.

Year ended 31 December 2017

	Resorts *RMB'000*	Tourism destinations *RMB'000*	Services and solutions in various tourism and leisure settings *RMB'000*	Eliminations *RMB'000*	Total *RMB'000*
Segment revenue					
External customers	11,758,411	13,939	27,044	–	11,799,394
Inter-segment sales	–	–	–	–	–
Total revenue	11,758,411	13,939	27,044	–	11,799,394
Segment operating profit/(loss)	464,445	(380,808)	(8,136)	–	75,501
Unallocated expenses					(2,112)
Total operating profit					73,389
Finance costs					(433,092)
Share of profits and losses of joint ventures					(19,290)
Share of profits and losses of associates					1,478
Loss before income tax					(377,515)

2. OPERATING SEGMENT INFORMATION (CONTINUED)

Geographical information

	2018	2017
	RMB'000	*RMB'000*
Revenue from external customers		
Europe, Middle East and Africa	**8,074,476**	7,923,809
America	**2,198,692**	2,085,801
Asia Pacific	**5,996,651**	1,789,784
	16,269,819	11,799,394

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

	2018	2017
	RMB'000	*RMB'000*
Non-current assets		
Europe, Middle East and Africa	**5,987,058**	5,877,430
America	**3,300,219**	3,241,095
Asia Pacific	**9,125,827**	6,506,388
	18,413,104	15,624,913

The non-current asset information above is based on the locations of the assets and excludes financial instruments, deferred tax assets and amounts due from related companies.

Information about a major customer

No revenue amounting to 10% or more of the Group's revenue was derived from sales to a single customer for the year ended 31 December 2018 (2017: nil).

3. REVENUE

An analysis of revenue is as follows:

	2018	2017
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Resorts and destination operation	**10,426,589**	9,096,180
Tourism-related property sales and construction services solutions	**3,443,894**	492,178
Tourism and leisure services and solutions	**2,399,336**	2,211,036
	16,269,819	11,799,394

3. REVENUE (CONTINUED)

Disaggregated revenue information

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

For the year ended 31 December 2018

Segments	Resorts *RMB'000*	Tourism destinations *RMB'000*	Services and solutions in various tourism and leisure settings *RMB'000*	Eliminations *RMB'000*	Total *RMB'000*
Type of goods or services					
Resorts and destination services	**9,696,020**	**771,865**	**–**	**(41,296)**	**10,426,589**
Tourism-related property sales and construction services	**50,633**	**3,393,261**	**–**	**–**	**3,443,894**
Tourism and leisure services	**2,270,360**	**–**	**134,130**	**(5,154)**	**2,399,336**
	12,017,013	**4,165,126**	**134,130**	**(46,450)**	**16,269,819**
Inter-segment sales	**(11,421)**	**(29,875)**	**(5,154)**	**46,450**	**–**
Total revenue from contracts with customers	**12,005,592**	**4,135,251**	**128,976**	**–**	**16,269,819**
Timing of revenue recognition					
Goods transferred at a point in time	**–**	**3,393,261**	**–**	**–**	**3,393,261**
Services transferred over time	**12,017,013**	**771,865**	**134,130**	**(46,450)**	**12,876,558**
	12,017,013	**4,165,126**	**134,130**	**(46,450)**	**16,269,819**
Inter-segment sales	**(11,421)**	**(29,875)**	**(5,154)**	**46,450**	**–**
Total revenue from contracts with customers	**12,005,592**	**4,135,251**	**128,976**	**–**	**16,269,819**

3. REVENUE (CONTINUED)

Disaggregated revenue information (continued)

For the year ended 31 December 2017

Segments	Resorts	Tourism destinations	Services and solutions in various tourism and leisure settings	Eliminations	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Type of goods or services					
Resorts and destination services	9,082,241	13,939	–	–	9,096,180
Tourism-related property sales and construction services	492,178	–	–	–	492,178
Tourism and leisure services	2,183,992	–	27,044	–	2,211,036
	11,758,411	13,939	27,044	–	11,799,394
Inter-segment sales	–	–	–	–	–
Total revenue from contracts with customers	11,758,411	13,939	27,044	–	11,799,394
Timing of revenue recognition					
Services transferred over time	11,758,411	13,939	27,044	–	11,799,394
Inter-segment sales	–	–	–	–	–
Total revenue from contracts with customers	11,758,411	13,939	27,044	–	11,799,394

4. OTHER INCOME AND GAINS, NET

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

	2018	2017
	RMB'000	*RMB'000*
Other income		
Interest income	**23,053**	33,403
Government grants	**23,269**	27,182
Compensation and indemnity	**8,671**	58,467
Others	**16,232**	26,935
	71,225	145,987
Gains		
Gain on disposal of:		
– *A subsidiary*	**–**	192,549
– *An associate*	**50,274**	–
Gain on disposal of items of property, plant and equipment	**35,318**	91,566
Gain on disposal of items of intangible assets	**2,703**	–
Gain on the fair value change of financial assets at fair value through profit or loss	**9,569**	–
Gain on reversal of provisions relating to:		
– *Resort closure costs*	**27,261**	–
– *Commercial claims or disputes*	**–**	19,711
– *Litigation claims*	**89,048**	22,208
	214,173	326,034
Other income and gains	**285,398**	472,021
Other expenses		
Compensation costs relating to employees	**(57,973)**	(77,459)
Provision for litigation, including tax related	**(40,440)**	(40,671)
Provision for resort closure costs	**(38,989)**	(75,022)
Loss on the fair value change of financial assets at fair value through profit or loss	**–**	(7,918)
Impairment loss on:		
–*Intangible assets*	**(18,287)**	(10,614)
–*property, plant and equipment*	**(46,532)**	(37,425)
Exchange loss, net	**(2,649)**	(5,303)
Others	**(37,719)**	(9,099)
Other expenses	**(242,589)**	(263,511)
Other income and gains, net	**42,809**	208,510

5. PROFIT/(LOSS) BEFORE INCOME TAX

The Group's profit/(loss) before income tax is arrived at after charging/(crediting):

	Notes	**2018** **RMB'000**	2017 RMB'000
Cost of revenue:			
Cost of resorts and destination operation services and tourism and leisure service provided		**9,560,478**	8,506,426
Cost of tourism-related property sales and construction services		**1,433,293**	462,619
		10,993,771	8,969,045
Employee benefit expense (including directors' and chief executive's remuneration)			
Wages and salaries		**2,665,444**	2,244,641
Accommodation benefits and others			
–Defined contribution fund		**427,693**	413,741
Pension scheme costs:			
– Defined benefit fund		**19,622**	26,037
– Defined contribution fund		**155,363**	115,904
Equity-settled share-based payments expenses		**104,224**	–
		3,372,346	2,800,323
Listing expenses (including reporting accountants' fee)		**56,142**	–
Auditor's remuneration		**2,880**	11,430
Depreciation of property, plant and equipment		**654,454**	521,801
Amortization of prepaid land lease payments		**22,170**	22,062
Amortization of intangible assets		**94,423**	146,873
Impairment of financial and contract assets:			
Impairment of trade receivables		**7,695**	10,550
Impairment of financial assets included in prepayments, other receivables and other assets		**645**	636
Provision for inventories		**2,296**	2,258
Provision for impairment of items of property, plant and equipment		**46,532**	37,425
Provision for impairment of intangible assets		**18,287**	10,614
Fair value (gain)/loss on financial assets at fair value through profit or loss	*4*	**(9,569)**	7,918
Fair value loss/(gain) on derivative instruments, net		**90**	(6,753)
Operating rental expenses		**1,402,852**	1,305,048
Exchange loss,net	*4*	**2,649**	5,303
Gain on disposal of investments in an associate	*4*	**(50,274)**	–
Gain on disposal of a subsidiary	*4*	**–**	(192,549)
Gain on disposal of items of property, plant and equipment	*4*	**(35,318)**	(91,566)
Gain on disposal of items of intangible assets	*4*	**(2,703)**	–

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2018	2017
	RMB'000	*RMB'000*
Interest on bank borrowings	**334,668**	368,781
Interest on loans from related companies	**360**	15,267
Interest expense arising from revenue contracts	**174,393**	134,016
Interest on convertible bonds	**45,545**	87,834
Interest on convertible redeemable preferred shares	**23,418**	44,550
Interest on finance leases	**3,648**	1,706
Bank charges and other financial costs	**5,219**	3,461
	587,251	655,615
Less: interest capitalized	**150,346**	222,523
Total finance costs	**436,905**	433,092

7. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Income tax in the consolidated statements of profit or loss represents:

	2018	2017
	RMB'000	*RMB'000*
Current – France and others	**118,290**	86,333
Current – Mainland China		
Income tax in Mainland China for the year	**200,868**	–
Land appreciation tax ("LAT") in Mainland China for the year	**588,668**	–
Deferred	**(3,559)**	(168,852)
Income tax expense/(credit) for the year	**904,267**	(82,519)

The provision for income tax of Club Med Holding and its subsidiaries incorporated in France in the years of 2018 was based on a rate of 34.43% (2017: 34.43%).

The provision for Mainland China current income tax is based on the statutory rate of 25% (2017: 25%) of the assessable profits during the year as determined in accordance with the PRC Corporate Income Tax Law, which was approved and became effective on 1 January 2008.

LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sale of properties less deductible expenditures including land costs, borrowing costs and other property development expenditures. The Group had estimated, made and included in taxation a provision for LAT according to the requirements set forth in the relevant Mainland China tax laws and regulations. The LAT provision is subject to the final review and approval by the local tax bureau.

8. DIVIDENDS

No dividend has been paid or declared by the Company during the year (2017:nil).

9. EARNINGS/(LOSSES) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings/(losses) per share amount is based on the profit/(loss) for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares of 1,011,003,222 (2017: 504,109,589) in issue during the year.

The calculation of the diluted earnings/(losses) per share amount is based on the profit/(loss) for the year attributable to ordinary equity holders of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings/(losses) per share calculation, and the weighted average number of ordinary shares assumed to have been issued on the deemed vesting of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings/(losses) per share are based on:

	2018	2017
	RMB'000	*RMB'000*
Earnings/(losses)		
Profit/(loss) attributable to ordinary equity holders of the Company, used in the basic and diluted earnings/(losses) per share calculation	**308,441**	(196,502)

	Number of shares	
	2018	2017
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings/(losses) per share calculation	**1,011,003,222**	504,109,589
Effect of dilution – weighted average number of ordinary shares:		
– Share ownership plan	**9,016,195**	–
– Share option scheme	**4,867,606**	–
Weighted average number of ordinary shares used in the calculation of diluted earnings/(losses) per share	**1,024,887,023**	504,109,589
Basic earnings/(losses) per share (RMB)	**0.31**	(0.39)
Diluted earnings/(losses) per share (RMB)	**0.30**	(0.39)

10. TRADE RECEIVABLES

	2018	2017
	RMB'000	*RMB'000*
Trade receivables	**810,125**	1,025,981
Impairment	**(37,772)**	(36,044)
	772,353	989,937

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

	2018	2017
	RMB'000	*RMB'000*
Outstanding balances with ages:		
Within 90 days	**607,716**	965,099
91 to 180 days	**17,671**	24,440
181 to 365 days	**146,966**	398
	772,353	989,937

11. TRADE PAYABLES

	2018	2017
	RMB'000	*RMB'000*
Trade payables	**1,870,767**	1,244,064

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

	2018	2017
	RMB'000	*RMB'000*
Within 90 days	**1,556,497**	1,241,388
91 to 180 days	**21,866**	–
181 to 365 days	**281,481**	106
1 to 2 years	**8,353**	2,570
2 to 3 years	**2,570**	–
	1,870,767	1,244,064

Trade payables are non-interest-bearing.

12. EVENTS AFTER THE REPORTING PERIOD

On 4 January 2019, the Company issued and allotted 10,332,600 shares at HKD15.60 per share due to the partial exercise of the over-allotment option.

CORPORATE GOVERNANCE

The Company is committed to achieving high standards of corporate governance to safeguard the interests of Shareholders and to enhance its corporate value and accountability.

During the Relevant Period, the Company applied the principles of and fully complied with the code provisions as set out in the CG Code except for the following deviation from provision A.2.1 of the CG Code. The Company regularly reviews its corporate governance practices to ensure compliance with the CG Code.

Mr. Qian Jiannong is the Chairman of the Board and the Chief Executive Officer of the Company

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. However, the Company considers that having Mr. Qian Jiannong acting as both the Chairman and Chief Executive Officer will provide a strong and consistent leadership to the Company and allow for more effective planning and management which is in the best interests of the Company. Taking into account all the corporate governance measures that the Company has been implemented after Listing, the Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively, which is beneficial to the business prospects of the Group. Therefore, the Company currently does not propose to separate the functions of chairman and chief executive officer. The Board will continue to review and consider splitting the roles of Chairman of the Board and the Chief Executive Officer of the Company at an appropriate time, taking into account the circumstances of the Group as a whole.

MODEL CODE

The Company has adopted the Model Code. Specific enquiry has been made to all Directors and the Directors have confirmed that they have complied with the Model Code throughout the Relevant Period. The Company has also established written guidelines on no less exacting terms than the Model Code for securities transactions by the relevant employees who are likely to be in possession of unpublished inside information of the Company.

No incident of non-compliance of the above-mentioned written guidelines by the relevant employees of the Company was noted by the Company.

AUDIT COMMITTEE

During the Relevant Period, the audit committee of the Company (the "**Audit Committee**") comprises three non-executive Directors, namely Mr. Guo Yongqing (Chairman), Mr. Wang Can and Ms. Katherine Ring Xin. The main duties of the Audit Committee are to review the financial statements and reports; to review the relationship with the external auditors and to review the adequacy and effectiveness of the Company's financial reporting system, risk management and internal control system. The Group's annual results for the year ended 31 December 2018 have been reviewed by the Audit Committee.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**AGM**") will be held on Tuesday, 28 May 2019. The notice of AGM will be published on the websites of the Company (www.fosunholiday.com) and the Hong Kong Stock Exchange (www.hkexnews.hk) and dispatched to the Shareholders.

DIVIDEND AND CLOSURE OF REGISTER

The Board has resolved not to declare any final dividend for the year ended 31 December 2018.

The register of members of the Company will be closed from Thursday, 23 May 2019 to Tuesday, 28 May 2019, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates and other relevant documents, if any, must be lodged with Computershare Hong Kong Investor Services Limited, the share registrar of the Company, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, 22 May 2019.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Relevant Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

FORWARD-LOOKING STATEMENTS

This results announcement includes certain forward-looking statements which involve the financial conditions, results and businesses of the Group. These forward-looking statements are the Group's expectation or beliefs on future events and they involve known and unknown risks and uncertainties, which may cause actual results, performance or development of the situation to differ materially from the situation expressed or implied by these statements.

ANNUAL REPORT

This results announcement is published on the websites of the Company (www.fosunholiday.com) and the Hong Kong Stock Exchange (www.hkexnews.hk). The annual report will be dispatched to the Shareholders and published on both websites on or before 18 April 2019.

APPRECIATION

The Group would like to express its appreciation to all the staff for their outstanding contribution towards the Group's development. The Board wishes to sincerely thank the management for their dedication and diligence, which are key factors for the Group to continue its success in future. Also, the Group wishes to extend its gratitude for the continued support from its Shareholders, customers, and business partners. The Group will continue to deliver sustainable business development, so as to create more values for all Shareholders.

GLOSSARY

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

ABBREVIATIONS

"Aquarium"	the Lost Chambers Aquarium in Atlantis Sanya
"Atlantis Sanya"	our tourism destination on the Haitang Bay National Coast of Sanya, Hainan province, PRC
"Average Daily Bed Rate"	the Business Volume divided by the total number of beds sold
"Board" or "Board of Directors"	our board of Directors
"Business Volume"	the aggregate sales of our resort service, tourism destination operation and other tourism-related services and solutions, regardless of whether the resort is owned, leased or managed
"Capacity of Resorts"	the total number of beds available for sale over a period or year, i.e., the number of beds, multiplied by the number of days on which resorts are open
"China" or "PRC"	the People's Republic of China, but for the purpose of this prospectus and for geographical reference only and except where the context requires, references in this prospectus to "China" and the "PRC" do not apply to Hong Kong, Macau and Taiwan
"Club Med"	Club Med SAS (formerly known as Club Méditerranée SA), a simplified joint-stock company (*société par actions simplifiée*) incorporated in France on 12 November 1957 and a non-wholly owned subsidiary of our Company
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented, or otherwise modified from time to time
"Company" or "our Company"	Fosun Tourism Group (formerly known as Fosun Tourism and Culture Group (Cayman) Company Limited), an exempted company with limited liability incorporated in the Cayman Islands on 30 September 2016
"Controlling Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules and, unless the context otherwise requires, refers to Fosun International, FHL, FIHL, and Mr. Guo Guangchang
"CG Code"	the Corporate Governance Code set out in Appendix 14 to the Listing Rules
"Director(s)"	the director(s) of the Company

"EMEA"	Europe, Middle East, and Africa, which, for our purposes, also includes Turkey
"EUR" or "Euro or €"	Euro, the lawful currency of the European Union
"Fidelidade"	Fidelidade-Companhia de Seguros, S.A., a company incorporated in Portugal and a non-wholly owned subsidiary of Fosun International
"FHL"	Fosun Holdings Limited, a company incorporated in Hong Kong with limited liability, which is wholly owned by FIHL, and one of our Controlling Shareholders
"FIHL"	Fosun International Holdings Ltd., a company incorporated in the British Virgin Islands with limited liability, and one of our Controlling Shareholders
"FOLIDAY"	our global ecosystem consisting of our commercially-interconnected businesses that offer a wide spectrum of tourism- and leisure-related services
"Foryou Club"	our membership system in China that manages and operates services and activities for members and customers under the FOLIDAY ecosystem
"Fosun Industrial"	Fosun Industrial Holdings Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of Fosun International
"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 our Controlling Shareholders
"Fosun Property"	Fosun Property Holdings Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of Fosun International
"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a global market research and consulting company, which is an independent third party
"GFA"	gross floor area
"Great Member"	members of Club Med's Great Member loyalty program
"Group", "our Group", "we", or "us"	our Company and our subsidiaries

“Happy Digital”	Club Med’s digitalization initiatives, through which we use digital solutions to improve our guests’ and employees’ experience while making the technology user-friendly and seamless
“HK$” or “HKD” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“IFRS”	International Financial Reporting Standards
“independent third party(ies)”	an individual or a company which, to the best of our Directors’ knowledge, information, and belief, having made all reasonable enquiries, is not a connected person of the Company within the meaning of the Listing Rules
“Kerzner”	Kerzner International Limited, a company incorporated in The Commonwealth of the Bahamas, and its subsidiaries
“Kuyi”	Kuyi International Travel Agency (Shanghai) Co., Ltd., a limited liability company established in the PRC on 2 September 2015 and a non wholly-owned subsidiary of our Company. As of the end of the Reporting Period, Kuyi is 51% owned by our Group and 49% owned by Thomas Cook Services Limited, a subsidiary of Thomas Cook
“Listing”	the listing of the Shares on the Main Board
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange
“Mattel”	Mattel Ventures International II Limited, a company incorporated in Hong Kong and an independent third party
“MICE”	meetings, incentives, conferences and exhibitions
“Miniversity”	the brand for learning and playing club for children
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rules
“Occupancy Rate by Bed”	the ratio expressed as a percentage between the total number of beds sold and the total number of beds available for sale over a period or year
“Occupancy Rate by Room”	the total number of rooms sold divided by the total number of rooms available for sale

"Revenue per Bed"	the Resort Revenue divided by the Capacity of Resorts
"Resort Revenue"	the aggregate income of all resorts, including sales of all-inclusive packages and revenue generated onsite out of the all-inclusive packages
"Relevant Period"	14 December 2018 to 31 December 2018
"Reporting Period"	1 January 2018 to 31 December 2018
"RMB or Renminbi"	the lawful currency of the PRC
"Shareholder(s)"	holder(s) of the Shares
"Share(s)"	ordinary share(s) in the share capital of our Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiaries"	has the meaning ascribed thereto under section 15 of the Companies Ordinance
"Tang Residence"	the saleable residential vacation units in Atlantis Sanya
"Thomas Cook"	Thomas Cook Group plc, a company incorporated in England and Wales, the shares of which are listed on the London Stock Exchange (stock code: TCG)
"Trident"	the measurement unit used by Club Med to indicate the level of each Club Med resort, which is similar to "star" used for traditional hotel ratings
"U.S. dollars"	United States dollars, the lawful currency of the United States
"Waterpark"	the Aquaventure Waterpark in Atlantis Sanya

By order of the Board
Fosun Tourism Group
Qian Jiannong
Chairman

15 March 2019

As at the date of this announcement, the executive directors of the Company are Mr. Qian Jiannong, Mr. Henri Giscard d'Estaing and Mr. Wang Wenping; the non-executive director is Mr. Wang Can; and the independent non-executive directors are Dr. Allan Zeman, Mr. Guo Yongqing and Ms. Katherine Rong Xin.