

10 February 2025

*To the Shareholders and Share Incentive Holders*

Dear Sir or Madam,

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

**1. INTRODUCTION**

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

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

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

## **2. TERMS OF THE PROPOSAL**

### **The Scheme**

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

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

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

### **Highest and lowest prices**

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

## **3. CONDITIONS OF THE PROPOSAL AND THE SCHEME**

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

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

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

#### **4. SHARE INCENTIVE PROPOSAL**

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

#### **5. CONFIRMATION OF FINANCIAL RESOURCES**

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

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

#### **6. SHAREHOLDING STRUCTURE OF THE COMPANY**

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

#### **7. INFORMATION ON THE GROUP**

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

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

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

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

## 9. INTENTION OF THE COMPANY WITH REGARD TO THE GROUP

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

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

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

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

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

## 10. PROFIT WARNING ANNOUNCEMENT AND PROFIT ESTIMATE

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

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

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

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

## **11. INDEPENDENT FINANCIAL ADVISER**

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

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

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

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

## **12. REASONS FOR AND BENEFITS OF THE PROPOSAL**

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

## **13. ACTIONS TO BE TAKEN**

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

## **14. COURT MEETING AND EGM**

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

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

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

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

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

## **15. WITHDRAWAL OF LISTING OF SHARES ON THE STOCK EXCHANGE**

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

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

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

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

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

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

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



## **18. REGISTRATION AND PAYMENT**

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

## **19. OVERSEAS SCHEME SHAREHOLDERS AND OVERSEAS SHARE INCENTIVE HOLDERS**

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

## **20. TAXATION ADVICE**

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

## **21. GENERAL**

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

## **22. RECOMMENDATIONS**

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

## **23. FURTHER INFORMATION**

You are urged to read carefully:

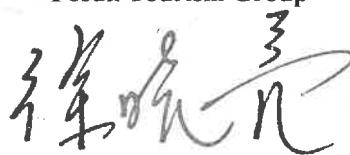
- (a) the letter from the Independent Financial Adviser set out in Part V of this Scheme Document;
- (b) the Explanatory Memorandum set out in Part VI of this Scheme Document;
- (c) the appendices of this Scheme Document, including the terms of the Scheme set out in APPENDIX VII of this Scheme Document;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

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



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

On behalf of the Board  
Fosun Tourism Group

A stylized handwritten signature in black ink, consisting of several fluid, connected strokes that represent the Chinese characters for Xu Xiaoliang.

**Xu Xiaoliang**  
Chairman