The following is the text of a report received from the reporting accountants of the Company, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

[To insert the firm's letterhead]

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF CLUBMED LIFESTYLE GROUP AND BNP PARIBAS SECURITIES (ASIA) LIMITED, HSBC CORPORATE FINANCE (HONG KONG) LIMITED AND J.P. MORGAN SECURITIES (FAR EAST) LIMITED

Introduction

We report on the historical financial information of ClubMed Lifestyle Group (the "Company") and its subsidiaries (together, the "Group") set out on pages [ ] to [ ], which comprises the combined statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026 (the "Relevant Periods"), and the combined statements of financial position of the Group as at 31 December 2023, 2024 and 2025 and 30 June 2026 and the statements of financial position of the Company as at 30 June 2026 and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages [ ] to [ ] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated **[REDACTED]** (the "Document") in connection with the initial **[REDACTED]** of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and the basis of preparation set out in note 2.1 and 2.2 to the Historical Financial Information, respectively, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation

and the basis of preparation set out in note 2.1 and 2.2 to the Historical Financial Information, respectively, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

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

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group as at 31 December 2023, 2024 and 2025 and 30 June 2026 and the financial position of the Company as at 30 June 2026, and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of presentation and the basis of preparation set out in note 2.1 and 2.2 to the Historical Financial Information, respectively.

Review of interim comparative financial information

We have reviewed the interim comparative financial information of the Group which comprises the combined statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows for the six months ended 30 June 2025 and other explanatory information (the "Interim Comparative Financial Information"). The directors of the Company are responsible for the preparation of the Interim Comparative Financial Information in accordance with the basis of presentation and the basis of preparation set out in note 2.1 and 2.2 to the Historical Financial Information, respectively. Our responsibility is to express a conclusion on the Interim Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the HKICPA. A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purpose of the accountants' report, is not prepared, in all material respects, in accordance with the basis of presentation and the basis of preparation set out in note 2.1 and 2.2 to the Historical Financial Information, respectively.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page [I-4] have been made.

Dividends

We refer to note 12 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

No historical financial statements for the Company

As at the date of this report, no statutory financial statements have been prepared for the Company since its date of incorporation.

[●]
Certified Public Accountants
Hong Kong
[REDACTED]

I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The historical financial information of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing as issued by the HKICPA (the "Underlying Financial Statements").

The Historical Financial Information is presented in Euros ("EUR") and all values are rounded to the nearest thousand (EUR'000) except when otherwise indicated.

COMBINED STATEMENTS OF PROFIT OR LOSS

		Year ended 31 December			Six months ended 30 June	
	Notes	2023	2024	2025	2025	2026
		EUR'000	*EUR'000*	*EUR'000*	*EUR'000 (Unaudited)*	*EUR'000*
REVENUE	5	1,862,113	1,923,486	1,948,546	1,081,179	1,083,443
Cost of revenue		(1,323,121)	(1,362,644)	(1,358,539)	(723,894)	(706,991)
Gross profit		538,992	560,842	590,007	357,285	376,452
Other income and gains/(expenses), net	6	49,416	29,821	13,056	26,648	(4,289)
Selling and marketing expenses		(280,856)	(296,831)	(302,277)	(161,775)	(164,016)
General and administrative expenses		(126,571)	(130,639)	(140,658)	(68,428)	(64,504)
Operating income		180,981	163,193	160,128	153,730	143,643
Finance costs	8	(110,580)	(116,390)	(102,960)	(52,064)	(49,113)
Share of (losses)/profits of associates		(1,391)	(1,685)	2,136	2,033	332
PROFIT BEFORE INCOME TAX	7	69,010	45,118	59,304	103,699	94,862
Income tax expense	11	(242)	(15,514)	(48,387)	(38,582)	(37,737)
PROFIT FOR THE YEAR/PERIOD		68,768	29,604	10,917	65,117	57,125
Attributable to:						
Equity holders of the Company		63,746	28,591	8,918	63,790	56,296
Non-controlling interests		5,022	1,013	1,999	1,327	829
		68,768	29,604	10,917	65,117	57,125
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT						
Basic and diluted (EUR)		N/A	N/A	N/A	N/A	N/A

COMBINED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000 (Unaudited)*	*EUR'000*
PROFIT FOR THE YEAR/PERIOD	68,768	29,604	10,917	65,117	57,125
OTHER COMPREHENSIVE (LOSS)/INCOME					
Other comprehensive (loss)/income that will be reclassified to profit or loss in subsequent periods:					
Effective portion of changes in fair value of hedging instruments arising during the year/period	(6,170)	295	(3,115)	(2,366)	1,207
Reclassification adjustments for (losses)/gains included in the combined statements of profit or loss	(3,063)	565	(4,147)	(4,166)	1,282
Exchange differences on translation of foreign operations	(8,021)	(19,812)	(24,997)	(18,960)	19,110
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods	(17,254)	(18,952)	(32,259)	(25,492)	21,599
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:					
Actuarial reserve relating to employee benefits	(2,050)	705	(140)	505	33
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods	(2,050)	705	(140)	505	33
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR/PERIOD, NET OF TAX	(19,304)	(18,247)	(32,399)	(24,987)	21,632
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR/PERIOD	49,464	11,357	(21,482)	40,130	78,757
Attributable to:					
Equity holders of the Company	43,701	12,289	(23,518)	38,921	77,310
Non-controlling interests	5,763	(932)	2,036	1,209	1,447
	49,464	11,357	(21,482)	40,130	78,757

COMBINED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December 2023	2024	2025	As at 30 June 2026
		EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
NON-CURRENT ASSETS					
Property, plant and equipment	14	513,062	507,652	500,594	511,919
Right-of-use assets	15	1,366,621	1,411,730	1,334,269	1,287,032
Intangible assets	16	312,673	314,457	315,143	314,533
Goodwill	17	230,380	230,776	229,969	230,487
Investments in associates	19	33,150	30,503	31,327	31,374
Financial assets at fair value through profit or loss	20	9,051	9,309	9,613	9,746
Due from related companies	21	11,363	758	766	19
Prepayments, other receivables and other assets	22	40,818	42,762	45,167	48,011
Deferred tax assets	23	74,372	63,730	46,369	36,105
Cash and bank balances	30	1,586	—	—	—
Total non-current assets		2,593,076	2,611,677	2,513,217	2,469,226
CURRENT ASSETS					
Inventories	24	35,118	32,854	30,182	27,764
Completed properties for sale	25	661	6,261	2,787	522
Properties under development	26	12,774	3,324	4,590	4,727
Trade receivables	27	58,072	51,067	38,095	31,392
Contract assets		500	—	—	—
Prepayments, other receivables and other assets	22	252,808	262,929	280,227	276,159
Due from related companies	21	147,016	124,213	172,443	110,327
Non-current assets held for sale	29	—	—	—	12,265
Derivative financial instruments	28	9,294	6,922	4,103	2,270
Financial assets at fair value through profit or loss	20	1	—	—	—
Cash and bank balances	30	147,352	135,137	145,255	139,155
Total current assets		663,596	622,707	677,682	604,581
CURRENT LIABILITIES					
Interest-bearing bank and other borrowings	31	214,063	100,564	101,215	93,659
Contract liabilities	32	117,156	111,467	102,791	107,564
Trade payables	33	177,196	180,295	169,540	149,021
Accrued liabilities and other payables	34	696,511	681,250	735,243	653,525
Lease liabilities	15	120,775	139,161	143,178	143,566
Tax payable		9,839	7,399	12,468	26,660
Due to related companies	21	411,768	455,897	449,359	102,510
Derivative financial instruments	28	5,193	3,075	4,838	2,024
Total current liabilities		1,752,501	1,679,108	1,718,632	1,278,529
NET CURRENT ASSETS/(LIABILITIES)		(1,088,905)	(1,056,401)	(1,040,950)	(673,948)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,504,171	1,555,276	1,472,267	1,795,278
NON-CURRENT LIABILITIES					
Lease liabilities	15	1,364,676	1,401,020	1,346,454	1,304,347
Interest-bearing bank and other borrowings	30	209,568	231,111	184,613	568,919
Deferred income		385	226	179	156
Other long term payables	35	36,398	37,616	36,493	36,370
Deferred tax liabilities	23	80,664	57,014	51,486	57,432
Total non-current liabilities		1,691,691	1,726,987	1,619,225	1,967,224
NET ASSETS/(LIABILITIES)		(187,520)	(171,711)	(146,958)	(171,946)

COMBINED STATEMENTS OF FINANCIAL POSITION—continued

	Notes	As at 31 December 2023	As at 31 December 2024	As at 31 December 2025	As at 30 June 2026
		EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
EQUITY					
Equity attributable to equity holders of the Company					
Share capital	36	—	—	—	1,000
Reserves	37	(198,981)	(178,742)	(152,908)	(180,343)
		(198,981)	(178,742)	(152,908)	(179,343)
Non-controlling interests		11,461	7,031	5,950	7,397
Total equity		(187,520)	(171,711)	(146,958)	(171,946)

COMBINED STATEMENTS OF CHANGES IN EQUITY

	Note	Attributable to equity holders of the Company									
		Issued Share capital	Share premium*	Fair value reserve*	Capital and other reserves*	Merger reserve*	Exchange fluctuation reserve*	Accumulated losses*	Subtotal	Non-controlling interests	Total
		EUR'000	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*
At 1 January 2023	a	—	—	(21,528)	828,166	—	(44,533)	(973,129)	(211,024)	24,107	(186,917)
Profit for the year		—	—	—	—	—	—	63,746	63,746	5,022	68,768
Exchange differences on translation of foreign operations		—	—	—	—	—	(8,892)	—	(8,892)	871	(8,021)
Cash flow hedges		—	—	—	(9,127)	—	—	—	(9,127)	(106)	(9,233)
Actuarial reserve relating to employee benefits		—	—	—	(2,026)	—	—	—	(2,026)	(24)	(2,050)
Total comprehensive (loss)/income for the year		—	—	—	(11,153)	—	(8,892)	63,746	43,701	5,763	49,464
Disposal of a subsidiary	39	—	—	—	—	—	—	—	—	(13,738)	(13,738)
Share-based payments	38	—	—	—	4,700	—	—	—	4,700	—	4,700
Acquisition of non-controlling interests		—	—	—	(23,824)	—	—	—	(23,824)	(3,161)	(26,985)
Dividends paid to non-controlling shareholders of subsidiaries		—	—	—	—	—	—	—	—	(2,398)	(2,398)
Reclassification of non-controlling interests to liabilities as if the acquisition has taken place due to put options granted to non-controlling shareholders of a subsidiary		—	—	—	(17,607)	—	—	—	(17,607)	888	(16,719)
Deemed contribution from the Controlling Shareholder	37(iii)	—	—	—	5,155	—	—	—	5,155	—	5,155
Others		—	—	—	(82)	—	—	—	(82)	—	(82)
At 31 December 2023		—	—	(21,528)	785,355	—	(53,425)	(909,383)	(198,981)	11,461	(187,520)
At 1 January 2024		—	—	(21,528)	785,355	—	(53,425)	(909,383)	(198,981)	11,461	(187,520)
Profit for the year		—	—	—	—	—	—	28,591	28,591	1,013	29,604
Exchange differences on translation of foreign operations		—	—	—	—	—	(17,867)	—	(17,867)	(1,945)	(19,812)
Cash flow hedges		—	—	—	860	—	—	—	860	—	860
Actuarial reserve relating to employee benefits		—	—	—	705	—	—	—	705	—	705
Total comprehensive income/(loss) for the year		—	—	—	1,565	—	(17,867)	28,591	12,289	(932)	11,357
Share-based payments	38	—	—	—	3,153	—	—	—	3,153	—	3,153
Acquisition of non-controlling interests		—	—	—	(38,753)	—	—	—	(38,753)	(1,410)	(40,163)
Dividends paid to non-controlling shareholders of subsidiaries		—	—	—	—	—	—	—	—	(2,389)	(2,389)
Reclassification of non-controlling interests to liabilities as if the acquisition has taken place due to put options granted to non-controlling shareholders of a subsidiary		—	—	—	39,746	—	—	—	39,746	301	40,047
Deemed contribution from the Controlling Shareholder	37(iii)	—	—	—	4,180	—	—	—	4,180	—	4,180
Others		—	—	—	(376)	—	—	—	(376)	—	(376)
At 31 December 2024		—	—	(21,528)	794,870	—	(71,292)	(880,792)	(178,742)	7,031	(171,711)

COMBINED STATEMENTS OF CHANGES IN EQUITY—continued

	Note	Attributable to equity holders of the Company								Non-controlling interests	Total
		Issued Share capital	Share premium*	Fair value reserve*	Capital and other reserves*	Merger reserve*	Exchange fluctuation reserve*	Accumulated losses*	Subtotal		
		EUR'000	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*
At 1 January 2025		—	—	(21,528)	794,870	—	(71,292)	(880,792)	(178,742)	7,031	(171,711)
Profit for the year		—	—	—	—	—	—	8,918	8,918	1,999	10,917
Exchange differences on translation of foreign operations		—	—	—	—	—	(25,034)	—	(25,034)	37	(24,997)
Cash flow hedges		—	—	—	(7,262)	—	—	—	(7,262)	—	(7,262)
Actuarial reserve relating to employee benefits		—	—	—	(140)	—	—	—	(140)	—	(140)
Total comprehensive (loss)/income for the year		—	—	—	(7,402)	—	(25,034)	8,918	(23,518)	2,036	(21,482)
Share-based payments	38	—	—	—	3,016	—	—	—	3,016	—	3,016
Dividends paid to non-controlling shareholders of subsidiaries		—	—	—	—	—	—	—	—	(3,117)	(3,117)
Deemed contribution from the Controlling Shareholder	37(iii)	—	—	—	47,060	—	—	—	47,060	—	47,060
Others		—	—	—	(724)	—	—	—	(724)	—	(724)
At 31 December 2025		—	—	(21,528)	836,820	—	(96,326)	(871,874)	(152,908)	5,950	(146,958)
At 1 January 2025		—	—	(21,528)	794,870	—	(71,292)	(880,792)	(178,742)	7,031	(171,711)
Profit for the period (unaudited)		—	—	—	—	—	—	63,790	63,790	1,327	65,117
Exchange differences on translation of foreign operations		—	—	—	—	—	(18,842)	—	(18,842)	(118)	(18,960)
Cash flow hedges		—	—	—	(6,532)	—	—	—	(6,532)	—	(6,532)
Actuarial reserve relating to employee benefits, net of tax		—	—	—	505	—	—	—	505	—	505
Total comprehensive (loss)/income for the period (unaudited)		—	—	—	(6,027)	—	(18,842)	63,790	38,921	1,209	40,130
Deemed contribution from the Controlling Shareholder	37(iii)	—	—	—	3,116	—	—	—	3,116	—	3,116
Share-based payments	38	—	—	—	2,081	—	—	—	2,081	—	2.081
Others		—	—	—	(217)	—	—	—	(217)	—	(217)
At 30 June 2025 (unaudited)		—	—	(21,528)	793,823	—	(90,134)	(817,002)	(134,841)	8,240	(126,601)

COMBINED STATEMENTS OF CHANGES IN EQUITY—continued

		Attributable to equity holders of the Company									
	Note	Issued Share capital	Share premium*	Fair value reserve*	Capital and other reserves*	Merger reserve*	Exchange fluctuation reserve*	Accumulated losses*	Subtotal	Non-controlling interests	Total
		EUR'000	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*
At 1 January 2026		—	—	(21,528)	836,820	—	(96,326)	(871,874)	(152,908)	5,950	(146,958)
Profit for the period		—	—	—	—	—	—	56,296	56,296	829	57,125
Exchange differences on translation of foreign operations		—	—	—	—	—	18,492	—	18,492	618	19,110
Cash flow hedges		—	—	—	2,489	—	—	—	2,489	—	2,489
Actuarial reserve relating to employee benefits, net of tax		—	—	—	33	—	—	—	33	—	33
Total comprehensive income for the period		—	—	—	2,522	—	18,492	56,296	77,310	1,447	78,757
Issue of shares	36	1,000	399,000	—	—	—	—	—	400,000	—	400,000
Share-based payments	38	—	—	—	786	—	—	—	786	—	786
Transfer of capital and other reserves	(a)/37(iii)	—	—	—	(951,584)	951,584	—	—	—	—	—
Deemed contribution from the Controlling Shareholder	37(iii)	—	—	—	9,778	271,150	—	—	280,928	—	280,928
Acquisition of subsidiaries under common control	37(iii)	—	—	—	—	(785,334)	—	—	(785,334)	—	(785,334)
Others		—	—	—	(125)	—	—	—	(125)	—	(125)
At 30 June 2026		1,000	399,000	(21,528)	(101,803)	437,400	(77,834)	(815,578)	(179,343)	7,397	(171,946)

* These reserve accounts comprise the combined deficit EUR198,981,000, EUR178,742,000, EUR152,908,000, EUR134,841,000 and EUR180,343,000 in the combined statement of financial position as at 31 December 2023,2024 and 2025, and 30 June 2025 and 2026, respectively.

Note:

Pursuant to the Reorganization, Fosun Luxembourg Holdings S.à.r.l. ("Fosun Luxembourg"), ClubMed Lifestyle HK Limited (("ClubMed HK"), formerly known as Fosun Tourism Group Management (HK) Company Limited), Shanghai Yuezhixue Tourism Development Co., Ltd. ("Yuezhixue") and Fosun Holiday (Macao) International Co.,Ltd ("Fosun Macao"), which are now comprising the Group were acquired by the Company from the Controlling Shareholder in 2026. These subsidiaries acquired by the Company were under the common control of the Controlling Shareholder before and after the acquisition.

(a) The amount of the share capital and share premium as at 1 January 2023 and the subsequent increase in share capital and share premium of Fosun Luxembourg, ClubMed HK, Yuezhixue, Fosun Macao before the acquisition were recorded in capital and other reserve prior to the incorporation of the Company on 8 May 2026. Upon the incorporation of the Company, it was reclassified to merger reserve accordingly.

COMBINED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		EUR'000	*EUR'000*	*EUR'000*	*EUR'000 (Unaudited)*	*EUR'000*
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before income tax		69,010	45,118	59,304	103,699	94,862
Adjustments for:						
Depreciation of items of property, plant and equipment	7	58,580	60,737	64,245	31,353	35,001
Depreciation of right-of-use assets	7	146,923	154,667	158,034	78,116	78,142
Amortization of intangible assets	7	14,135	13,572	13,125	6,582	6,317
Provision for impairment of items of right-of-use assets	7	259	166	226	—	—
Provision for/(reversal of) impairment of trade receivables	7	787	283	851	(334)	226
(Reversal of)/provision for impairment of prepayments, other receivables and other assets	7	(159)	(108)	314	(16)	(149)
Write-down of inventories to net realisable value	7	(116)	333	413	(33)	(252)
Deferred income		(344)	(72)	(47)	(23)	(23)
Gain on the fair value change of financial assets at fair value through profit or loss	7	(309)	(308)	(307)	(153)	(154)
Interest income	6	(12,286)	(10,292)	(6,298)	(4,045)	(2,853)
Interest expenses	8	110,580	116,390	102,960	52,064	49,113
Gain on disposal of items of property, plant and equipment	7	(31,649)	(1,905)	(6,802)	—	(9)
Loss on disposal of intangible assets	7	112	—	19	—	22
Gain on disposal of subsidiaries	6	(8,569)	—	—	—	—
Share-based payments	7	4,700	3,153	3,016	2,081	786
Insurance compensation		—	(3,800)	(12,149)	(12,149)	—
Share of losses/(profits) of associates		1,391	1,685	(2,136)	(2,033)	(332)
CASH INFLOWS BEFORE WORKING CAPITAL CHANGES		353,045	379,619	374,768	255,109	260,697
Decrease/(increase) in completed properties for sale		2,329	(5,600)	3,474	1,074	2,265
(Increase)/decrease in properties under development		(4,694)	9,450	(1,266)	(994)	(137)
(Increase)/decrease in inventories		(2,423)	1,931	2,259	4,747	2,670
Decrease in contract assets		1,480	500	—	—	—
Decrease in restricted cash		20,967	2,929	5,788	20,286	7,472
Decrease in trade receivables		37,378	6,722	12,286	5,798	6,397
Increase in prepayments, other receivables and other assets		(9,983)	(7,257)	(20,077)	(17,146)	(2,166)
Increase/(decrease) in deferred income		15	(84)	—	—	—
Decrease/(increase) in amounts due from related companies		7,860	(13,262)	6,932	6,728	15,472
(Decrease)/increase in trade payables		(20,581)	3,099	(10,755)	(9,315)	(20,519)
Increase/(decrease) in amounts due to related companies		10,178	(4,099)	(674)	(12,082)	(16,493)
(Decrease)/increase in other long term payables		(11,950)	837	(2,355)	(992)	(702)
Increase/(decrease) in contract liabilities		24,404	(5,689)	(8,676)	(2,427)	4,773
(Decrease)/increase in other payables and accruals		(2,334)	24,948	73,644	(69,219)	(74,624)

COMBINED STATEMENTS OF CASH FLOWS—continued

	Notes	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		EUR'000	*EUR'000*	*EUR'000*	*EUR'000 (Unaudited)*	*EUR'000*
CASH GENERATED FROM OPERATIONS		405,691	394,044	435,348	181,567	185,105
Interest received		11,727	9,731	6,298	4,045	2,853
Income tax paid		(27,972)	(29,963)	(29,781)	(11,595)	(8,741)
NET CASH FLOWS GENERATED FROM OPERATING ACTIVITIES		389,446	373,812	411,865	174,017	179,217
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of items of property, plant and equipment		(70,624)	(80,385)	(96,820)	(44,824)	(44,533)
Purchase of intangible assets		(16,689)	(15,055)	(14,251)	(8,076)	(5,585)
Proceeds from disposal of items of property, plant and equipment		34,885	13,289	34,348	29,561	5,349
Disposal of a subsidiary	39	22,072	—	—	—	—
Proceeds (provided to)/received from related companies		(39,762)	51,172	(67,149)	(82,172)	54,487
Interest received		—	—	1,155	1,155	—
NET CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES		(70,118)	(30,979)	(142,717)	(104,356)	9,718
CASH FLOWS FROM FINANCING ACTIVITIES						
New bank and other borrowings		70,636	596,507	186,515	126,094	188,263
(Decrease)/increase in restricted cash		(1,586)	1,586	—	—	—
Repayment of interest-bearing bank borrowings and other borrowings		(128,168)	(686,341)	(231,824)	(117,441)	(197,122)
Funding received from/(provided to) related companies		14,495	33,010	43,387	64,296	(60,077)
Prepayment for the addition of right-of-use assets		(1,179)	(858)	—	—	—
Payment of lease liabilities		(200,973)	(216,849)	(222,664)	(106,387)	(107,650)
Acquisition of additional interests in subsidiaries		(26,985)	(40,163)	—	—	—
Dividends paid to non-controlling shareholders of subsidiaries		(2,233)	(3,486)	(4,378)	(2,230)	(1,018)
Interest paid		(23,662)	(35,150)	(20,766)	(11,614)	(10,793)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		**(299,655)**	**(351,744)**	**(249,730)**	**(47,282)**	**(188,397)**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**19,673**	**(8,911)**	**19,418**	**22,379**	**538**
Net foreign exchange differences		(290)	(375)	(3,512)	(2,439)	834
Cash and cash equivalents at beginning of year/period		98,428	117,811	108,525	108,525	124,431
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		**117,811**	**108,525**	**124,431**	**128,465**	**125,803**
Cash and bank balances	30	148,938	135,137	145,255	134,791	139,155
Less: Pledged bank balances		1,586	—	—	—	—
Restricted advanced booking proceeds		29,541	26,612	20,824	6,326	13,352
		31,127	26,612	20,824	6,326	13,352
Cash and cash equivalents as stated in the statement of cash flows		117,811	108,525	124,431	128,465	125,803

STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at 30 June 2026
		EUR'000
NON-CURRENT ASSETS		
Investment in a subsidiary	18	—
Total non-current assets		—
CURRENT ASSETS		
Prepayments, other receivables and other assets		578
Due from a subsidiary	21	788,953
Cash and bank balances	30	13,156
Total current assets		802,687
CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	31	39,150
Accrued liabilities and other payables	34	1,080
Due to related companies	21	1,105
Total current liabilities		41,335
NET CURRENT ASSETS		761,352
TOTAL ASSETS LESS CURRENT LIABILITIES		761,352
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	31	361,740
Total non-current liabilities		361,740
Net assets		399,612
EQUITY		
Equity attributable to equity holders of the Company		
Share capital		1,000
Share premium		399,000
Accumulated losses		(388)
Total equity		399,612

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 · CORPORATE AND GROUP INFORMATION

ClubMed Lifestyle Group (the "Company") was a limited liability company incorporated in the Cayman Islands on 8 May 2026. The registered office of the Company was 4th Floor, Harbor Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, George Town, Cayman Islands.

The Company is an investment holding company. During the Relevant Periods, the Company's subsidiaries were involved in the following principal activities:

- Club Med resort operations,
- Vacation scenario services.

The Company and its subsidiaries now comprising the Group underwent the Reorganization as set out in the paragraph headed "Reorganization" in the section headed "History, Reorganization and Corporate Structure" in the Document. Apart from the Reorganization, the Company has not commenced any business or operation since its incorporation.

As at the date of the report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong). The particulars of principal subsidiaries are set out below:

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name of the principal subsidiaries	Notes	Place of incorporation /registration and place of operations	Date of incorporation	Nominal value of issued ordinary /registered share capital	Percentage of equity attributable to the Company		Principal activities
					Direct	Indirect	
Club Med Services Singapore	(a)	Singapore	5 September 1986	SGD250,000	—	100%	Wholesale and retail of Club Med products
Club Med Sales Canada Inc	(c)	Canada	12 June 1996	CAD250,000	—	100%	Wholesale and retail of Club Med products
Holiday Village of Punta Cana, S.A.	(d)	Dominican Republic	3 December 1976	DOP17,977,321,200	—	100%	Offering vacation resort services
CM Vacations LLC	(e)	United States	16 April 2019	USD100	—	100%	Wholesale and retail of Club Med products

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

1 · CORPORATE AND GROUP INFORMATION—continued

Information about subsidiaries—continued

Particulars of the Company's principal subsidiaries are as follows—(Continued):

Name of the principal subsidiaries	Notes	Place of incorporation /registration and place of operations	Date of incorporation	Nominal value of issued ordinary /registered share capital	Percentage of equity attributable to the Company		Principal activities
					Direct	Indirect	
Club Med Sales Inc.	(f)	United States	15 October 1971	USD1,000,000	—	100%	Wholesale and retail of Club Med products
Club Med SAS	(g)	France	12 November 1957	EUR149,704,804	—	100%	Offering vacation resort services
Beijing Xiuping International Travel Agency Co.,LTD (北京修平国际旅行社有限公司)*	(b)	Chinese mainland	29 March 2016	CNY5,300,000	—	100%	Wholesale and retail of Club Med products
Club Med Ferias	(g)	France	25 October 2007	EUR150,000	—	100%	Wholesale and retail of Club Med products
Club Med Brazil S.A.	(h)	Brazil	24 February 1999	BRL107,445,318	—	99.99%	Offering vacation resort services
Club Med Invest	(g)	France	09 September 2014	EUR184,963,519	—	100%	Investment holding
Club Med Holding	(g)	France	09 September 2014	EUR187,218,790	—	100%	Investment holding
Villa Playa Blanca	(i)	Mexico	26 December 1975	MXM374,767,540	—	100%	Offering vacation resort services
Cancun Property, S. de R.L. de C.V.	(i)	Mexico	29 June 1994	MXM75,486,463	—	100%	Offering vacation resort services

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

1 · CORPORATE AND GROUP INFORMATION—continued

Information about subsidiaries—continued

Particulars of the Company's principal subsidiaries are as follows—(Continued):

Name of the principal subsidiaries	Notes	Place of incorporation /registration and place of operations	Date of incorporation	Nominal value of issued ordinary /registered share capital	Percentage of equity attributable to the Company		Principal activities
					Direct	Indirect	
Vacances Singapore Pte Ltd	(a)	Singapore	28 March 1990	SGD4,180,000	—	100%	Offering other services
Club Mediterranee KK	(j)	Japan	01 June 1979	JPY80,000,000	—	100%	Wholesale and retail of Club Med products
Kuyi International Travel Agency (Hainan) Co., Ltd. （酷怡国际旅行社（海南）有限公司）	(j)	Chinese Mainland	02 September 2015	CNY85,000,000	—	100%	Wholesale and retail of Club Med products

* The English names of these companies registered in the Chinese mainland represent the best effort made by the directors of the Company (the "Directors") to translate the Chinese names as these companies have not been registered with any official English names.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the Relevant Periods or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Notes：

(a) The statutory financial statements of these entities for the years ended 31 December 2023, 2024 and 2025 prepared in accordance with Singapore Financial Reporting Standards were audited by Kwang Wong Tan & Hong.

(b) The statutory financial statement of this entity for the years ended 31 December 2023, 2024 and 2025 prepared in accordance with Chinese Accounting System for Business Enterprises were audited by Ernst & Young Hua Ming LLP Shanghai Branch (安永華明會計師事務所（特殊普通合夥）上海分所).

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

1 · CORPORATE AND GROUP INFORMATION—continued

Information about subsidiaries—continued

Particulars of the Company's principal subsidiaries are as follows—(Continued):

(c) The statutory financial statements of this entity for the years ended 31 December 2023, 2024 and 2025 prepared in accordance with International Financial Reporting Standards were audited by Grant Thornton.

(d) The statutory financial statements of this entity for the years ended 31 December 2023, 2024 and 2025 prepared in accordance with International Financial Reporting Standards were audited by Pena Rodriguez & Asociados.

(e) The statutory financial statements of this entity for the years ended 31 December 2023, 2024 prepared in accordance with US GAAP were audited by Hancock Askew & Co LLP. The statutory financial statements of this entity for the years ended 31 December 2025 prepared in accordance with US GAAP were audited by Baker Tilly.

(f) The statutory financial statements of this entity for the years ended 31 December 2023, 2024 and 2025 prepared in accordance with US GAAP were audited by Hancock Askew & Co LLP.

(g) The statutory financial statements of these entities for the years ended 31 December 2023, 2024 and 2025 prepared in accordance with French Generally Accepted Accounting Principles ("French GAAP") were audited by Ernst & Young Audit & Associes.

(h) The statutory financial statements of this entity for the years ended 31 December 2023, 2024 and 2025 prepared in accordance with Brazilian GAAP were audited by Expertisa Independent Auditors, Rio de Janeiro.

(i) The statutory financial statements of this entity for the years ended 31 December 2023, 2024 and 2025 prepared in accordance with Mexican Financial Reporting Standards were audited by Wittig, Marques & Asociados.

(j) No audited financial statements have been prepared for these entities as these entities were not subject to any statutory audit requirements under the relevant rules and regulations in their jurisdiction of incorporation.

2.1 BASIS OF PRESENTATION

Pursuant to the Reorganization, as more fully explained in the paragraph headed "Reorganization" in the section headed "History, Reorganization and Corporate Structure" in the Document, the Company became the holding company of the companies now comprising the Group subsequent to the end of the Relevant Periods on 20 August 2026. The companies now comprising the Group were under the common control of Fosun International Limited, the controlling shareholder of the Company (the "Controlling Shareholder") before and after the Reorganization. Accordingly, for the purpose of this report, the Historical Financial Information has been prepared on a combined basis by applying the principles of merger accounting as if the Reorganization had been completed at the beginning of the Relevant Periods.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.1 BASIS OF PRESENTATION—continued

The combined statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for the Relevant Periods and the six months ended 30 June 2025 include the results and cash flows of all companies now comprising the Group from the earliest date presented or since the date when the subsidiaries and/or businesses first came under the common control of the controlling shareholders, where this is a shorter period. The combined statements of financial position of the Group as at 31 December 2023, 2024 and 2025 and 30 June 2026 have been prepared to present the assets and liabilities of the subsidiaries and/or businesses using the existing book values from the controlling shareholders' perspective. No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the Reorganization.

Equity interests in subsidiaries and/or businesses held by parties other than the controlling shareholder and changes therein prior to the Reorganization are presented as non-controlling interests in equity in applying the principles of merger accounting.

All intra-group transactions and balances have been eliminated on combination.

As the Company was incorporated in May 2026, there is no statement of financial position of the Company as at 31 December 2023, 2024 and 2025.

2.2 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board.

All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2026 together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods and Interim Financial Information.

The Historical Financial Information has been prepared under the historical cost basis, except for financial assets at fair value through profit or loss and derivative financial instruments. Non-current assets classified as held for sale are stated at the lower of their carrying amounts and fair values less costs to sell as further explained in note 2.4.

The Group has net current liabilities of EUR673,948,000 as at 30 June 2026. The directors of the Company have reviewed the Group's cash flow forecast covering the next twelve months from the date of this report and believe that the Group will have sufficient working capital to meet its financial liabilities and obligations as and when they fall due and to sustain its operations for the next twelve months from the date of the report. Accordingly, the directors of the Company consider that it is appropriate that the Historical Financial Information is prepared on a going concern basis.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements*[1]
IFRS 19 and its amendments	Subsidiaries without Public Accountability: Disclosures[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[2]
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[1]
IFRS 20	*Regulatory Assets and Regulatory Liabilities*[3]

1 Effective for annual/reporting periods beginning on or after 1 January 2027
2 No mandatory effective date yet determined but available for adoption
3 Effective for annual/reporting periods beginning on or after 1 January 2029

The Group is in the process of making a detailed assessment of the impact of these new and revised IFRS Accounting Standards upon initial **[REDACTED]**. So far, the Group considers that these new and revised IFRS Accounting Standards, except for IFRS 18, may result in changes in certain accounting policies upon initial **[REDACTED]** and no significant impact on the Group's financial performance and financial position is expected in the period of initial application. The application of IFRS 18 is not expected to have a material impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and other comprehensive income and statement of cash flows and disclosures in the future financial information. The Group will continue to assess the impact of IFRS 18 on the Group's financial information.

2.4 MATERIAL ACCOUNTING POLICIES

Investments in associates

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates are stated in the combined statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates is included in the combined statement of profit or loss and combined other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the combined statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.4 MATERIAL ACCOUNTING POLICIES—continued

Investments in associates—continued

associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects to measure the non-controlling interests in the acquiree at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at December 31. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.4 MATERIAL ACCOUNTING POLICIES—continued

Business combinations and goodwill—continued

groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its investments at fair value and its derivative financial instruments at the end of each of the Relevant Periods. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.4 MATERIAL ACCOUNTING POLICIES—continued

Fair value measurement—continued

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each of the Relevant Periods.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, properties under development, completed properties for sales, contract assets, financial assets, deferred tax assets and non-current assets classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the combined statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each of the Relevant Periods as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.4 MATERIAL ACCOUNTING POLICIES—continued

Impairment of non-financial assets—continued

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5, as further explained in the accounting policy for "Non-current assets held for sale". The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings and leasehold improvements	2% - 20%
Machinery	5% - 32%
Furniture, fixtures and other equipment	3% - 54%
Freehold land	Not depreciated
Construction in progress	Not depreciated

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.4 MATERIAL ACCOUNTING POLICIES—continued

Property, plant and equipment and depreciation—continued

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets and its sale must be highly probable.

Non-current assets (other than financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Trademarks

The trademarks have been classified as assets with indefinite useful lives. They are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.4 MATERIAL ACCOUNTING POLICIES—continued

Intangible assets (other than goodwill)—continued

Trademarks—continued

not amortised. The useful lives of such intangible assets are reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis. The trademarks of the Group are the trademark of Club Med which arose from the acquisition of Club Med SAS and its subsidiaries in 2015.

Other intangible assets

Other intangible assets are qualified as having a finite life and are stated at cost less any impairment losses and are amortised on the straight-line basis over the respective estimated useful lives. The principal annual rates used for this purpose are as follows:

Software	2% - 50%
Others	10% - 33%

The annual rates for software are determined in accordance with the useful lives of the software which are assessed by Group considering different purposes and usages of the software. The software served as basement IT system or technological platform is amortised over a long period up to 45 years. Other software served as fast updating applications is amortised over a shorter period, such as 3 to 10 years.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Buildings	1 to 18 years
Machinery	1 to 10 years
Furniture, fixtures and other equipment	1 to 5 years

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.4 MATERIAL ACCOUNTING POLICIES—continued

Leases—continued

Group as a lessee—continued

(a) Right-of-use assets—continued

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of furniture, fixtures and other equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.4 MATERIAL ACCOUNTING POLICIES—continued

Investments and other financial assets—continued

Initial recognition and measurement—continued

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies for "Revenue recognition".

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.4 MATERIAL ACCOUNTING POLICIES—continued

Investments and other financial assets—continued

Financial assets at fair value through profit or loss—continued

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment occurs if there is a change in the terms of the contract that significantly modifies the cash flows.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's combined statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.4 MATERIAL ACCOUNTING POLICIES—continued

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than one year past due.

The Group considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.4 MATERIAL ACCOUNTING POLICIES—continued

Impairment of financial assets—continued

Simplified approach

For trade receivables and contract assets and other assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables, amounts due to related companies, interest-bearing bank and other borrowings, and derivative financial instruments.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as described below:

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest. The effective interest amortisation is included as finance costs in the statement of profit or loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.4 MATERIAL ACCOUNTING POLICIES—continued

Financial liabilities—continued

Financial guarantee contracts—continued

recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets"; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the combined statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risk and interest rate risk, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.4 MATERIAL ACCOUNTING POLICIES—continued

Derivative financial instruments and hedge accounting—continued

Initial recognition and subsequent measurement—continued

- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, or a foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is "an economic relationship" between the hedged item and the hedging instrument.
- The effect of credit risk does not "dominate the value changes" that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges which meet all the qualifying criteria for hedge accounting are accounted for as follows:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the combined statement of profit or loss as other expenses. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying amount of the hedged item and is also recognised in the combined statement of profit or loss as other expenses.

For fair value hedges relating to items carried at amortised cost, the adjustment to carrying value is amortised through the combined statement of profit or loss over the remaining term of the hedge using the effective interest rate method. Effective interest rate amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognised, the unamortised fair value is recognised immediately in the combined statement of profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in the combined statement of profit or loss. The changes in the fair value of the hedging instrument are also recognised in the combined statement of profit or loss.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.4 MATERIAL ACCOUNTING POLICIES—continued

Derivative financial instruments and hedge accounting—continued

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The amounts accumulated in other comprehensive income are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in other comprehensive income for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment to which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in other comprehensive income is reclassified to the statement of profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect the statement of profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in other comprehensive income must remain in accumulated other comprehensive income if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to the statement of profit or loss as a reclassification adjustment. After the discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated other comprehensive income is accounted for depending on the nature of the underlying transaction as described above.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Properties under development

Properties under development are stated at cost which includes all development expenditures, including land costs, construction costs, borrowing costs and other costs directly attributable to such properties during the development period.

Properties under development are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond the normal operating cycle.

Properties under development are valued at the lower of cost and net realisable value at the end of each of the Relevant Periods and any excess of cost over the net realisable value of an individual

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.4 MATERIAL ACCOUNTING POLICIES—continued

Properties under development—continued

item of properties under development is accounted for as a provision. Net realisable value is based on estimated selling prices in the ordinary course of business as determined by management with reference to the prevailing market conditions, less further costs expected to be incurred to completion and selling and marketing costs.

Completed properties for sale

Completed properties for sale are recognised in the combined statement of financial position at the lower of cost and net realisable value. Net realisable value is estimated by management based on the prevailing market conditions. Cost is determined by an apportionment of the total costs of land and buildings attributable to the unsold properties. Any excess of cost over the net realisable value of an individual item of completed properties for sale is accounted for as a provision.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the combined statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods, taking into consideration interpretations and practises prevailing in the countries in which the Group operates.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.4 MATERIAL ACCOUNTING POLICIES—continued

Income tax—continued

Deferred tax is provided, using the liability method, on all temporary differences at the end of each of the Relevant Periods between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except that deferred tax is not recognised for the Pillar Two income taxes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liabilities arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each of the Relevant Periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each of the Relevant Periods and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.4 MATERIAL ACCOUNTING POLICIES—continued

Income tax—continued

taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Tourism operation and other services

Tourism operation and other services mainly include operations of resorts and other relevant business such as transportation service, accommodation services and various tourism services. The revenue is recognised when the relevant services are rendered and the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.

Branded residences related property sales and construction services

Revenues are recognised when or as the control of the asset is transferred to the purchaser. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time. Control of the asset is transferred over time if the Group's performance:

- provides benefits which are received and consumed simultaneously by the purchaser; or
- creates and enhances an asset that the purchaser controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of the performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.4 MATERIAL ACCOUNTING POLICIES—continued

Revenue recognition—continued

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of each of the Relevant Periods as a percentage of total estimated costs for each contract.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Customer loyalty programme

The Group operates the loyalty programmes which was Club Med Great Member loyalty programme. A performance obligation is identified only if the option to acquire additional goods and services provides a material right to the customer that it would not receive without entering into that contract. For such contracts, the Group allocates contract price to those separate performance obligations attributed to the benefits granted to the customers under the two loyalty programmes. A portion of the contract price attributable to the benefits granted is recognised as a reduction of revenue in deferred revenue and is recognised in revenues when those benefits are exercised or when the benefits expire. The revenue allocated to each performance obligation is calculated based on their relative stand-alone selling price. The Group generally determines stand-alone selling prices based on the prices charged to customers. If the stand-alone selling price is not directly observable, it is estimated using other suitable methods. The likelihood that the benefits will be exercised is assessed and adjusted for the estimation of the standalone selling price.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.4 MATERIAL ACCOUNTING POLICIES—continued

Share-based payments

The Company participates in certain share option schemes adopted by the then parent Company, Fosun Tourism Group. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions") from Fosun Tourism Group.

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using a binomial model.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each of the Relevant Periods until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

A liability is recognised for the fair value of cash-settled transactions. The fair value is measured at fixed cancellation price of the share instruments at the end of each of the Relevant Periods. The fair value is expensed over the period until the vesting date with recognition of a

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.4 MATERIAL ACCOUNTING POLICIES—continued

Share-based payments—continued

corresponding liability. The cumulative expense recognised for cash-settled transactions at the end of each of the Relevant Periods until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of awards that will ultimately vest.

Employee benefits

The Group provides the post-employment benefits mainly as follows: (i) defined contribution pension schemes for all employees of the companies in Chinese mainland; (ii) accommodation benefits for all eligible employees of the companies in Chinese mainland, details of which are set out below; and (iii) employee benefits to all eligible employees of the subsidiaries of Club Med Holding ("CMH").

(i) *Defined contribution pension schemes for all eligible employees of the companies in Chinese mainland*

The full-time employees of the companies in Chinese mainland, are covered by various government-regulated defined contribution retirement benefit schemes under which the employees are entitled to a monthly pension. The Group contributes a percentage of the employees' salaries to these retirement benefit schemes on a monthly basis. Under these schemes, the Group has no legal obligation for retirement benefits beyond the contributions made. Contributions to these schemes are expensed as incurred.

(ii) *Accommodation benefits for all eligible employees of the companies in Chinese mainland*

According to the relevant People's Republic of China ("PRC") rules and regulations, the PRC companies now comprising the Group and their employees are each required to make contributions which are in proportion to the salaries and wages of the employees to an accommodation fund administered by the government agencies in the PRC. There is no further obligation on the part of the Group except for such contributions to the accommodation fund. Contributions to an accommodation fund administrated by the government agencies are charged to the combined statement of profit or loss as and when they are incurred.

(iii) *Employee benefits for all eligible employees of CMH and its subsidiaries*

All eligible employees of CMH and its subsidiaries receive certain short-term benefits, such as vacation pay, "13th-month" bonuses, sick leave, health insurance and unemployment insurance in France.

The post-employment benefit plans of CMH and its subsidiaries are based on legal obligations in each host country and on its subsidiaries' compensation policies. Long-term benefit plans include both defined contribution and defined benefit plans.

(a) *Defined contribution plans*

Under defined contribution plans, CMH pays contributions to an external fund that is responsible for paying the benefits. The payment of contributions releases the employer from its

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.4 MATERIAL ACCOUNTING POLICIES—continued

Employee benefits—continued

further obligation towards his employees. The main defined contribution plans consist of government-sponsored basic and supplementary pension plans in Europe and defined-contribution pension plans in North America. Contributions to all of these plans are recognised as an expense for the period in which they are incurred.

(b) *Defined benefit plans*

CMH has an obligation to pay benefits to eligible employees either at the moment of their retirement. The Group's main defined benefit plans provide indemnities payable to employees on retirement.

The Group operates an unfunded defined benefit pension plan, which is covered by provisions recorded in the financial statements. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit actuarial valuation method.

Remeasurements arising from a defined benefit pension plan, comprising actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the combined statement of financial position with a corresponding debit or credit to retained profits through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss at the early of:

(i) the date of the plan amendment or curtailment; and

(ii) the date that the Group recognises restructuring-related costs

Interest is calculated by applying the discount rate to the defined benefit liability. The Group recognises the following changes in the net defined benefit obligation under "administrative expenses" and "other expenses" in the combined statement of profit or loss by function:

(i) service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements

(ii) interest expense or income

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.4 MATERIAL ACCOUNTING POLICIES—continued

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in note 12 to the Historical Financial Information.

Foreign currencies

The Historical Financial Information is presented in EUR. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional rates of exchange ruling at the end of the Relevant Periods.

Differences arising on settlement or translation of monetary items are recognised in the combined statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to the combined statement of profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than the EUR. As at the end of each of the Relevant Periods, the assets and liabilities of these entities are translated into EUR at the exchange rates prevailing at the end of each of the Relevant Periods and their statements of profit or loss are translated into EUR at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.4 MATERIAL ACCOUNTING POLICIES—continued

Foreign currencies—continued

attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the combined statement of cash flows, the cash flows of overseas subsidiaries are translated into EUR at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the period are translated into EUR at the weighted average exchange rates for the period.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Historical Financial Information:

Revenue recognition of branded residences related property sales and construction services

Revenue from property sales and construction services during the year is recognised over time when the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. Otherwise, revenue is recognised at the point in time when the buyer obtains control of the completed property. Assessing whether the Group could recognise revenue from property sales and construction services over time requires significant judgement which includes the assessment of the legal terms in the sales contracts.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units to which the goodwill is allocated. The recoverable amount of the cash-generating unit is determined based on a value-in-use calculation.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES—continued

Estimation uncertainty—continued

Impairment of goodwill—continued

Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are given in note 17 to the Historical Financial Information.

Impairment of intangible assets with indefinite lives

The Group determines whether intangible assets with indefinite lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the individual asset. An asset's recoverable amount is the fair value less costs of disposal using the relief from royalty method. Further details are given in note 16 to the Historical Financial Information.

Impairment of non-financial assets (other than goodwill and intangible assets with indefinite lives)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each of the Relevant Periods. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

For the years end 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026, impairment losses in the amounts of EUR259,000, EUR166,000, EUR226,000, and nil was provided for right-of-use assets, respectively. Further details are given in note 15 to the Historical Financial Information.

Provision for expected credit losses on receivables and contract assets

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all receivables and contract assets. The Group applies the general approach to providing for expected credit losses for all other receivables. To measure the expected credit losses, the balances are grouped based on shared credit risk characteristics and the days past due.

The approach is initially based on the Group's historical observed default rates. The Group will calibrate the approach to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES—continued

Estimation uncertainty—continued

Provision for expected credit losses on receivables and contract assets—continued

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's other receivables and trade receivables are disclosed in note 22 and note 27 to the Historical Financial Information, respectively.

Useful lives of property, plant and equipment, intangible assets (other than goodwill) and right-of-use assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment, intangible assets (other than goodwill) and right-of-use assets. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment, intangible assets (other than goodwill) and right-of-use assets of a similar nature and functions, as well as the lease terms of the right-of-use assets. It could change significantly as a result of technical innovations, or competitor actions in response to severe industry cycles. Management will increase the depreciation charge or amortisation charge when useful lives are less than previously estimated lives, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and carry forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The amounts of unrecognised tax losses as at 31 December 2023, 2024 and 2025 and 30 June 2026 were EUR448,903,000, EUR420,558,000, EUR462,520,000 and EUR361,764,000, respectively.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES—continued

Estimation uncertainty—continued

Fair value of financial instruments

The fair value of financial instruments, in the absence of an active market, is estimated by using appropriate valuation techniques. Such valuations were based on certain assumptions about credit risk, volatility and liquidity risks, etc, associated with the instruments, which are subject to uncertainty and might materially differ from the actual results. For the contingent consideration for the disposal of subsidiaries, the Group estimated the fair value by using the expected cash flows, to be discounted to the disposal date at an appropriately chosen discount rate. Significant management estimation is required to determine the expected cash flows and discount rate. Management reassesses these estimates at the end of each of the Relevant Periods. Further details are included in note 20 to the Historical Financial Information.

4. OPERATING SEGMENT INFORMATION

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

(a) Club Med resort operations segment which comprises principally the Club Med resort operation business and other relevant business such as transportation service, resort construction service and other services;

(b) Vacation scenario services segment which comprises an integrated portfolio of asset-light vacation scenario services provided to project owners and developers, mainly composed of cultural-tourism complex management services, vacation facility operation services, brand licencing services as well as vacation scenario ancillary services.

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 profit which is calculated based on gross profit plus other income and gains, less 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.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

4. OPERATING SEGMENT INFORMATION—continued

Year ended 31 December 2023

	Club Med	Vacation scenario services	Elimination	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
External customers	1,848,991	13,122		1,862,113
Intersegment sales	2,275	888	(3,163)	—
Total	1,851,266	14,010	(3,163)	1,862,113
Segment operating profit/(loss)	202,018	(13,128)	—	188,890
Unallocated expenses*				(7,909)
Total operating profit				180,981
Finance costs				(110,580)
Share of losses of associates				(1,391)
Profit before income tax				69,010

Year ended 31 December 2024

	Club Med	Vacation scenario services	Elimination	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
External customers	1,908,922	14,564	—	1,923,486
Intersegment sales	2,149	43	(2,192)	—
Total	1,911,071	14,607	(2,192)	1,923,486
Segment operating profit/(loss)	176,711	(5,938)	—	170,773
Unallocated expenses*				(7,580)
Total operating profit				163,193
Finance costs				(116,390)
Share of losses of associates				(1,685)
Profit before income tax				45,118

Year ended 31 December 2025

	Club Med	Vacation scenario services	Elimination	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
External customers	1,938,826	9,720	—	1,948,546
Intersegment sales	901	72	(973)	—
Total	1,939,727	9,792	(973)	1,948,546
Segment operating profit/(loss)	179,512	(7,982)	—	171,530
Unallocated expenses*				(11,402)
Total operating profit				160,128
Finance costs				(102,960)
Share of profits of associates				2,136
Profit before income tax				59,304

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

4. OPERATING SEGMENT INFORMATION—continued

Six months ended 30 June 2025 (unaudited)

	Club Med	Vacation scenario services	Elimination	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
External customers	1,077,047	4,132	—	1,081,179
Intersegment sales	525	55	(580)	—
Total	1,077,572	4,187	(580)	1,081,179
Segment operating profit/(loss)	162,006	(2,438)	—	159,568
Unallocated expenses*				(5,838)
Total operating profit				153,730
Finance costs				(52,064)
Share of profits of associates				2,033
Profit before income tax				103,699

Six months ended 30 June 2026

	Club Med	Vacation scenario services	Elimination	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
External customers	1,076,676	6,767	—	1,083,443
Intersegment sales	72	288	(360)	—
Total	1,076,748	7,055	(360)	1,083,443
Segment operating profit/(loss)	150,453	1,925	—	152,378
Unallocated expenses*				(8,735)
Total operating profit				143,643
Finance costs				(49,113)
Share of profits of associates				332
Profit before income tax				94,862

* The unallocated expenses mainly represented the employee benefit expenses and other administrative expenses.

Geographical information

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000 (Unaudited)*	*EUR'000*
Revenue from external customers					
Europe, Middle East and Africa	1,185,792	1,218,324	1,250,354	656,833	627,262
America	452,591	466,289	462,935	299,689	328,329
Asia Pacific	223,730	238,873	235,257	124,657	127,852
Total revenue	1,862,113	1,923,486	1,948,546	1,081,179	1,083,443

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

4. OPERATING SEGMENT INFORMATION—continued

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

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Non-current assets				
Europe, Middle East and Africa	1,826,023	1,840,308	1,750,322	1,779,494
America	476,340	456,420	443,409	438,653
Asia Pacific	153,524	199,379	218,482	160,747
Total non-current assets	2,455,887	2,496,107	2,412,213	2,378,894

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

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, including sales to a group of entities which are known to be under common control with that customer, for the year ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026.

5. REVENUE

An analysis of revenue is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000 (Unaudited)*	*EUR'000*
Revenue from contracts with customers					
Tourism operation and other services	1,835,169	1,915,140	1,939,486	1,078,717	1,079,905
Branded residences related property sales and construction service	26,944	8,346	9,060	2,462	3,538
Total	1,862,113	1,923,486	1,948,546	1,081,179	1,083,443

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

5. REVENUE—continued

(i) Disaggregated revenue information

Set out below is the reconciliation of the revenue from contracts with customers:

For the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 30 June 2026

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000 (Unaudited)*	*EUR'000*
Types of goods or services					
Tourism operation and other services	1,835,169	1,915,140	1,939,486	1,078,717	1,079,905
Branded residences related property sales and construction services	26,944	8,346	9,060	2,462	3,538
Total	1,862,113	1,923,486	1,948,546	1,081,179	1,083,443
Timing of revenue recognition					
Services transferred over time	1,862,113	1,923,486	1,948,546	1,081,179	1,083,443
Total	1,862,113	1,923,486	1,948,546	1,081,179	1,083,443

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Tourism operation and other services

The performance obligation is satisfied over time as services are rendered and short-term advances are normally required before rendering the services.

Branded residences related property sales and construction services

Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of the performance obligation.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

6. OTHER INCOME AND GAINS/(EXPENSES), NET

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

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000 (Unaudited)*	*EUR'000*
Other income					
Compensation and indemnity	—	9,200	28,652	28,652	—
Interest income	12,286	10,292	6,298	4,045	2,853
Government grants	3,891	96	75	44	76
Others	15,228	7,836	6,909	4,720	4,169
Total other income	31,405	27,424	41,934	37,461	7,098
Gains					
Gain on disposal of a subsidiary (note 39)	8,569	—	—	—	—
Gain on disposal of items of property, plant and equipment	31,649	1,905	6,802	—	9
Gain on reversal of provisions	2,293	18,311	561	171	1,479
Gain on the fair value change of investments measured at fair value through profit or loss	309	308	307	153	154
Exchange gain, net	7,765	—	—	—	—
Others	714	614	4	367	643
Total gains	51,299	21,138	7,674	691	2,285
Total other income and gains	82,704	48,562	49,608	38,152	9,383
Other expenses					
Provision	(24,192)	(6,859)	(15,372)	(3,778)	(1,969)
Compensation costs relating to employees	(6,659)	(6,832)	(15,083)	(4,391)	(6,747)
Impairment losses on account receivables and other receivables	(628)	(175)	(1,165)	—	—
Exchange loss, net	—	(1,051)	(1,705)	(1,972)	(3,488)
Others	(1,809)	(3,824)	(3,227)	(1,363)	(1,468)
Other expenses	(33,288)	(18,741)	(36,552)	(11,504)	(13,672)
Other income and gains/(expenses), net	49,416	29,821	13,056	26,648	(4,289)

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

7. PROFIT BEFORE INCOME TAX

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

	Notes	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		EUR'000	*EUR'000*	*EUR'000*	*EUR'000 (Unaudited)*	*EUR'000*
Cost of revenue		1,323,121	1,362,644	1,358,539	723,894	706,991
Employee benefit expense (including directors' and chief executive's remuneration):						
Wages and salaries		347,489	360,899	364,980	181,642	188,102
Accommodation benefits and others		64,616	67,748	70,003	34,251	35,120
Pension scheme costs:						
- *Defined benefit fund*	35	2,456	2,788	2,961	1,490	1,440
- *Defined contribution fund*		12,295	15,442	15,101	6,741	6,789
Share-based payment expenses	38	4,700	3,153	3,016	2,081	786
Total		431,556	450,030	456,061	226,205	232,237
[REDACTED] expenses (including reporting accountants' fee)		—	—	—	—	**[REDACTED]**
Depreciation of property, plant and equipment	14	58,580	60,737	64,245	31,353	35,001
Depreciation of right-of-use assets	15	146,923	154,667	158,034	78,116	78,142
Amortization of intangible assets	16	14,135	13,572	13,125	6,582	6,317
Provision for/(reversal of) impairment of trade receivables		787	283	851	(334)	226
(Reversal of)/provision for impairment of financial assets included in prepayments, other receivables and other assets		(159)	(108)	314	(16)	(149)
(Reversal of)/write-down of inventories to net realisable value		(116)	333	413	(33)	(252)
Impairment of right-of-use assets	15	259	166	226	—	—
Fair value loss on financial assets at fair value through profit or loss	6	(309)	(308)	(307)	(153)	(154)
Lease payments not included in the measurement of lease liabilities		19,180	20,819	21,255	10,490	9,520
Exchange (gain)/loss, net	6	(7,765)	1,051	1,705	1,972	3,488
Gain on disposal of items of property, plant and equipment	6	(3,164)	(1,905)	(6,802)	—	(9)
Gain on disposal of a subsidiary	38	(8,569)	—	—	—	—
Loss on disposal of intangible assets		112	—	19	—	22

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

8. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000 (Unaudited)*	*EUR'000*
Interest on bank and other borrowings	35,616	40,292	26,029	13,902	9,733
Interest on lease liabilities (note 15(b))	72,981	73,856	74,646	37,007	38,115
Bank charges and other financial costs	1,983	2,242	2,285	1,155	1,265
Total	110,580	116,390	102,960	52,064	49,113

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

The Company did not have any chief executive, executive directors, non-executive directors and independent non-executive directors before 8 May 2026, the date of incorporation of the Company.

Certain of the directors received remuneration from the subsidiaries now comprising the Group and from the Controlling Shareholder for their appointment as key management personnel of the subsidiaries. The remuneration of each of these key management personnel is set out below:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000 (Unaudited)*	*EUR'000*
Other emoluments:					
Salaries, allowances and benefits in kind	424	393	1,407	535	1,545
Performance related bonus	505	694	1,709	753	1,760
Share-based payment expenses	840	813	1,079	780	276
Pension scheme contributions	9	5	54	12	147
Total	1,778	1,905	4,249	2,080	3,728

During the Relevant Periods and the six months ended 30 June, 2025, certain directors were granted share options, in respect of their services to the Group, under the share option scheme of Fosun Tourism Group, further details of which are set out in note 38 to the financial statements.

(a) Independent non-executive directors

From the date of incorporation of the Company to 30 June 2026, there were no independent non-executive directors.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION—continued

(b) Executive directors and the chief executive

	Salaries, allowances and benefit in kind	Performance related bonus	Pension scheme contributions	Share based payment expenses	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*
2023					
Executive directors					
Xu Xiaoliang	26	—	—	623	649
Bao Jiangjun	398	505	9	217	1,129
Total	424	505	9	840	1,778

	Salaries, allowances and benefit in kind	Performance related bonus	Pension scheme contributions	Share based payment expenses	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*
2024					
Executive directors					
Xu Xiaoliang	192	446	2	577	1,217
Bao Jiangjun	201	248	3	236	688
Total	393	694	5	813	1,905

	Salaries, allowances and benefit in kind	Performance related bonus	Pension scheme contributions	Share based payment expenses	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*
2025					
Executive directors					
Xu Xiaoliang	566	1,466	12	728	2,772
Bao Jiangjun	455	243	12	351	1,061
Stéphane Samuel MAQUAIRE	386	—	30	—	416
Total	1,407	1,709	54	1,079	4,249

	Salaries, allowances and benefit in kind	Performance related bonus	Pension scheme contributions	Share based payment expenses	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*
Six months ended 30 June 2025 (unaudited)					
Executive directors					
Xu Xiaoliang	290	753	6	529	1,578
Bao Jiangjun	245	—	6	251	502
Total	535	753	12	780	2,080

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION—continued

	Salaries, allowances and benefit in kind	Performance related bonus	Pension scheme contributions	Share based payment expenses	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*
Six months ended 30 June 2026					
Executive directors					
Xu Xiaoliang	285	1,314	7	184	1,790
Bao Jiangjun	220	63	7	92	382
Stéphane Samuel MAQUAIRE	1,040	383	133	—	1,556
Total	1,545	1,760	147	276	3,728

Notes:

Mr. Bao Jiangjun was appointed as the executive director of the Company on 8 May 2026.

Mr. Xu Xiaoliang and Mr. Stéphane Samuel MAQUAIRE were appointed as executive directors of the Company on 18 August 2026.

Mr. Pan Donghui, Mr. Yamada Takuya and Mr. Chen Bing were appointed as non-executive directors of the Company on 18 August 2026.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the Relevant Periods and the six months ended 30 June 2025.

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the Relevant Periods and the six months ended 30 June 2025 included two, two, two, two and two directors. Details of the remuneration are set out in note 9 above. Details of the remuneration for the remaining three, three, three, three and three highest paid employees who are neither a director nor chief executive of the Company during the Relevant Periods and the six months ended 30 June 2025 are as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000 (Unaudited)*	*EUR'000*
Salaries, allowances and benefits in kind	1,097	3,617	1,499	622	763
Performance related bonus	761	905	1,131	461	374
Share based payment expenses	565	507	626	627	153
Pension scheme contributions	83	338	75	39	43
	2,506	**5,367**	**3,331**	**1,749**	**1,333**

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

10. FIVE HIGHEST PAID EMPLOYEES—continued

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	Number of employees	Number of employees	Number of employees	Number of employees	Number of employees
				(Unaudited)	
Nil to HK$5,000,000	—	—	—	1	3
HK$5,000,001 to HK$6,000,000	—	—	1	2	—
HK$6,000,001 to HK$7,000,000	2	1	—	—	—
HK$8,000,001 to HK$9,000,000	1	—	—	—	—
HK$9,000,001 to HK$10,000,000	—	1	—	—	—
HK$10,000,001 to HK$11,000,000	—	—	1	—	—
HK$13,000,001 to HK$14,000,000	—	—	1	—	—
HK$29,000,001 to HK$30,000,000	—	1	—	—	—
	3	3	3	3	3

11. 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.

(a) Income tax in the combined statement of profit or loss represents:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000* *(Unaudited)*	*EUR'000*
Current	29,335	27,499	35,722	23,915	22,413
Deferred (note 23)	(29,093)	(11,985)	12,665	14,667	15,324
Income tax expense for the year/period	242	15,514	48,387	38,582	37,737

The provision for income tax of CMH and its subsidiaries incorporated in France in each of the Relevant Periods and the six months ended 30 June 2025 were based on a rate of 25.83%.

The provision for income tax of principal subsidiaries incorporated in Brazil in each of the Relevant Periods and the six months ended 30 June 2025 were based on a rate of 34%.

The provision for income tax of principal subsidiaries incorporated in United States in each of the Relevant Periods and the six months ended 30 June 2025 were based on a rate of 21%.

The provision for income tax of principal subsidiaries incorporated in Mexique in each of the Relevant Periods and the six months ended 30 June 2025 were based on a rate of 30%.

The provision for income tax of principal subsidiaries incorporated in Singapore in each of the Relevant Periods and the six months ended 30 June 2025 were based on a rate of 17%.

The provision for income tax of principal subsidiaries incorporated in Japan in each of the Relevant Periods and the six months ended 30 June 2025 were based on a rate of 34.59%.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

11. INCOME TAX—continued

(a) Income tax in the combined statement of profit or loss represents—continued:

The provision for Chinese mainland current income tax are based on the statutory rate of 25% of the assessable profits for each of the Relevant Periods and the six months ended 30 June 2025 of the Group as determined in accordance with the PRC Corporate Income Tax Law, which was approved and became effective on 1 January 2008.

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the countries or jurisdictions in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rates is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000 (Unaudited)*	*EUR'000*
Profit before income tax	69,010	45,118	59,304	103,699	94,862
Tax the applicable tax rates	26,643	21,179	26,516	32,769	30,596
Tax effect of:					
Expenses not deductible for tax	14,340	12,450	15,301	4,130	4,290
Tax losses and temporary difference not recognised	17,249	13,030	13,933	7,269	5,341
Tax losses and temporary difference utilised from prior years	(27,339)	(7,506)	(4,943)	(1,609)	(97)
Recognition of prior tax loss and temporary difference	(29,342)	(22,496)	—	—	—
Over provision in prior years	(6,643)	(3,727)	(4,019)	(4,324)	(3,581)
Others (*)	5,334	2,584	1,599	347	1,188
Subtotal	(26,401)	(5,665)	21,871	5,813	7,141
Total	242	15,514	48,387	38,582	37,737

* Others mainly include the surcharge taxes in France and Italy which were calculated on the basis of the results of the relevant entities in France and Italy.

12. DIVIDENDS

No dividend has been paid or declared by the Company since its date of incorporation.

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

Earnings per share information is not presented as its inclusion, for the purpose of this report, is not considered meaningful due to the basis of presentation of the results of the Group for the Relevant Periods and the six months ended 30 June 2025 as disclosed in note 2.1 to the Historical Financial Information.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

14. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Buildings and leasehold improvements	Machinery	Furniture, fixtures and other equipment	Construction in progress	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*
31 December 2023						
At 1 January 2023:						
Cost	130,812	727,412	217,399	153,306	17,750	1,246,679
Accumulated depreciation and impairment	—	(456,000)	(152,528)	(105,929)	—	(714,457)
Net carrying amount	130,812	271,412	64,871	47,377	17,750	532,222
At 1 January 2023, net of accumulated depreciation and impairment	130,812	271,412	64,871	47,377	17,750	532,222
Additions	—	29,001	20,541	12,405	9,419	71,366
Transfer	—	1,397	3,657	9,714	(14,768)	—
Disposals	(442)	(403)	(324)	(145)	(57)	(1,371)
Disposals of a subsidiary (note 39)	(13,662)	(13,384)	(1,787)	(278)	(3,119)	(32,230)
Depreciation provided during the year	—	(27,812)	(17,377)	(13,391)	—	(58,580)
Exchange realignment	5,137	(2,657)	(550)	(135)	(140)	1,655
At 31 December 2023, net of accumulated depreciation and impairment	121,845	257,554	69,031	55,547	9,085	513,062
At 31 December 2023						
Cost	121,845	649,985	210,819	164,778	9,085	1,156,512
Accumulated depreciation and impairment	—	(392,431)	(141,788)	(109,231)	—	(643,450)
Net carrying amount	121,845	257,554	69,031	55,547	9,085	513,062

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

14. PROPERTY, PLANT AND EQUIPMENT—continued

	Freehold land	Buildings and leasehold improvements	Machinery	Furniture, fixtures and other equipment	Construction in progress	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*
31 December 2024						
At 1 January 2024:						
Cost	121,845	649,985	210,819	164,778	9,085	1,156,512
Accumulated depreciation and impairment	—	(392,431)	(141,788)	(109,231)	—	(643,450)
Net carrying amount	121,845	257,554	69,031	55,547	9,085	513,062
At 1 January 2024, net of accumulated depreciation and impairment	121,845	257,554	69,031	55,547	9,085	513,062
Additions	—	32,936	18,511	14,194	18,630	84,271
Transfer	—	3,742	3,240	1,855	(8,837)	—
Disposals	(8,018)	(3,430)	(839)	(266)	—	(12,553)
Depreciation provided during the year	—	(28,567)	(18,103)	(14,067)	—	(60,737)
Exchange realignment	(10,248)	(6,114)	(470)	(99)	540	(16,391)
At 31 December 2024, net of accumulated depreciation and impairment	103,579	256,121	71,370	57,164	19,418	507,652
At 31 December 2024						
Cost	103,579	629,611	215,821	168,099	19,418	1,136,528
Accumulated depreciation and impairment	—	(373,490)	(144,451)	(110,935)	—	(628,876)
Net carrying amount	103,579	256,121	71,370	57,164	19,418	507,652

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

14. PROPERTY, PLANT AND EQUIPMENT—continued

	Freehold land	Buildings and leasehold improvements	Machinery	Furniture, fixtures and other equipment	Construction in progress	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*
31 December 2025						
At 1 January 2025:						
Cost	103,579	629,611	215,821	168,099	19,418	1,136,528
Accumulated depreciation and impairment	—	(373,490)	(144,451)	(110,935)	—	(628,876)
Net carrying amount	103,579	256,121	71,370	57,164	19,418	507,652
At 1 January 2025, net of accumulated depreciation and impairment	103,579	256,121	71,370	57,164	19,418	507,652
Additions	—	51,601	22,102	12,653	12,286	98,642
Transfer	—	8,880	2,107	6,622	(17,609)	—
Disposals	(6,282)	(7,556)	(1,088)	(270)	—	(15,196)
Depreciation provided during the year	—	(30,470)	(19,088)	(14,687)	—	(64,245)
Exchange realignment	(3,197)	(17,516)	(3,827)	(641)	(1,078)	(26,259)
At 31 December 2025, net of accumulated depreciation and impairment	94,100	261,060	71,576	60,841	13,017	500,594
At 31 December 2025						
Cost	94,100	610,421	215,679	175,281	13,017	1,108,498
Accumulated depreciation and impairment	—	(349,361)	(144,103)	(114,440)	—	(607,904)
Net carrying amount	94,100	261,060	71,576	60,841	13,017	500,594

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

14. PROPERTY, PLANT AND EQUIPMENT—continued

	Freehold land	Buildings and leasehold improvements	Machinery	Furniture, fixtures and other equipment	Construction in progress	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*
30 June 2026						
At 1 January 2026						
Cost	94,100	610,421	215,679	175,281	13,017	1,108,498
Accumulated depreciation and impairment	—	(349,361)	(144,103)	(114,440)	—	(607,904)
Net carrying amount	94,100	261,060	71,576	60,841	13,017	500,594
At 1 January 2026, net of accumulated depreciation and impairment	94,100	261,060	71,576	60,841	13,017	500,594
Additions	—	6,804	6,202	4,287	22,042	39,335
Transfer	—	2,550	1,438	301	(4,289)	—
Reclassification*	(4,090)	—	—	—	(8,175)	(12,265)
Disposals	—	(684)	(431)	(28)	(36)	(1,179)
Depreciation provided during the period	—	(16,701)	(10,385)	(7,915)	—	(35,001)
Exchange realignment	6,272	11,651	1,915	270	327	20,435
At 30 June 2026, net of accumulated depreciation and impairment	96,282	264,680	70,315	57,756	22,886	511,919
At 30 June 2026						
Cost	96,282	634,146	226,959	179,977	22,886	1,160,250
Accumulated depreciation and impairment	—	(369,466)	(156,644)	(122,221)	—	(648,331)
Net carrying amount	96,282	264,680	70,315	57,756	22,886	511,919

*: Represented the reclassification to non-current assets held for sale.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

15. LEASES

The Group as a lessee

The Group has lease contracts for various items of buildings, machinery, furniture, fixtures, and other equipment used in its operations. Leases of buildings generally have lease terms between 1 and 18 years, while leases of machinery generally have lease terms between 1 and 10 years. Furniture, fixtures and other equipment generally have lease terms of 1 to 5 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group. The lease contracts with variable lease payments are further discussed below.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the Relevant Periods are as follows:

31 December 2023	Buildings	Machinery	Furniture, fixtures and other equipment	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
As at 1 January 2023	1,417,466	6,108	339	1,423,913
Additions	107,809	247	381	108,437
Depreciation charge	(146,033)	(649)	(241)	(146,923)
Disposal	(1,324)	(15)	(47)	(1,386)
Impairment	(259)	—	—	(259)
Exchange alignment	(16,785)	(371)	(5)	(17,161)
As at 31 December 2023	1,360,874	5,320	427	1,366,621

31 December 2024	Buildings	Machinery	Furniture, fixtures and other equipment	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
As at 1 January 2024	1,360,874	5,320	427	1,366,621
Additions	192,242	214	472	192,928
Depreciation charge	(153,740)	(632)	(295)	(154,667)
Disposal	(230)	(1)	(31)	(262)
Impairment	(166)	—	—	(166)
Exchange alignment	7,207	66	3	7,276
As at 31 December 2024	1,406,187	4,967	576	1,411,730

31 December 2025	Buildings	Machinery	Furniture, fixtures and other equipment	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
As at 1 January 2025	1,406,187	4,967	576	1,411,730
Additions	121,752	756	39	122,547
Depreciation charge	(157,214)	(615)	(205)	(158,034)
Disposal	—	(9)	(24)	(33)
Impairment	(226)	—	—	(226)
Exchange alignment	(40,997)	(688)	(30)	(41,715)
As at 31 December 2025	1,329,502	4,411	356	1,334,269

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

15. LEASES—continued

The Group as a lessee—continued

(a) Right-of-use assets—continued

30 June 2026	Buildings	Machinery	Furniture, fixtures and other equipment	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
As at 1 January 2026	1,329,502	4,411	356	1,334,269
Additions	18,886	1	10	18,897
Depreciation charge	(77,761)	(280)	(101)	(78,142)
Disposal	(83)	(9)	—	(92)
Exchange alignment	11,708	390	2	12,100
As at 30 June 2026	1,282,252	4,513	267	1,287,032

Impairment provision of EUR259,000, EUR166,000, EUR226,000 and nil, respectively, as at the end of each of the Relevant Periods were provided for right-of-use assets for certain office leased by the Group based on specific review of fair values less costs of disposal of the assets.

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the Relevant Periods are as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Carrying amount at 1 January	1,511,229	1,485,451	1,540,181	1,489,632
New leases	112,190	192,070	122,499	18,828
Accretion of interest recognised during the year/period	72,981	73,856	74,646	38,115
Disposal	(13)	—	—	—
Payments	(200,973)	(216,849)	(222,664)	(107,650)
Exchange realignment	(9,963)	5,653	(25,030)	8,988
Carrying amount at 31 December,/30 June	1,485,451	1,540,181	1,489,632	1,447,913
Analyzed into:				
Current portion	120,775	139,161	143,178	143,566
Non-current portion	1,364,676	1,401,020	1,346,454	1,304,347

The maturity analysis of lease liabilities is disclosed in note 46 to the Historical Financial Information.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

15. LEASES—continued

The Group as a lessee—continued

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000 (Unaudited)*	*EUR'000*
Interest on lease liabilities	72,981	73,856	74,646	37,007	38,115
Depreciation charge for right of-use assets	146,923	154,667	158,034	78,116	78,142
Expense relating to short-term leases and low-value leases (included in cost of sales and administrative expenses)	13,218	13,646	13,860	6,861	2,968
Variable lease payments not included in the measurement of lease liabilities (included in cost of sales)	5,962	7,173	7,395	3,629	6,552
Impairment of right-of-use assets	259	166	226	—	—
Total amount recognised in profit or loss	239,343	249,508	254,161	125,613	125,777

(d) The total cash outflow for leases is disclosed in notes 40(c), to the Historical Financial Information.

16. INTANGIBLE ASSETS

	Trademark and patents	Software	Others	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
31 December 2023				
At 1 January 2023				
Cost	261,912	185,648	9,231	456,791
Accumulated amortisation	(530)	(137,309)	(8,098)	(145,937)
Net carrying amount	261,382	48,339	1,133	310,854
Cost at 1 January 2023, net of accumulated amortisation	261,382	48,339	1,133	310,854
Additions	406	16,202	81	16,689
Disposals	(12)	(4)	(96)	(112)
Amortization provided during the year	(83)	(13,715)	(337)	(14,135)
Exchange realignment	(7)	(528)	(88)	(623)
At 31 December 2023	261,686	50,294	693	312,673
At 31 December 2023:				
Cost	262,262	166,372	8,582	437,216
Accumulated amortisation	(576)	(116,078)	(7,889)	(124,543)
Net carrying amount	261,686	50,294	693	312,673

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

16. INTANGIBLE ASSETS—continued

	Trademark and patents	Software	Others	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
31 December 2024				
At 1 January 2024				
Cost	262,262	166,372	8,582	437,216
Accumulated amortisation	(576)	(116,078)	(7,889)	(124,543)
Net carrying amount	261,686	50,294	693	312,673
Cost at 1 January 2024, net of accumulated amortisation	261,686	50,294	693	312,673
Additions	152	14,903	—	15,055
Amortization provided during the year	(145)	(13,149)	(278)	(13,572)
Exchange realignment	(16)	215	102	301
At 31 December 2024	261,677	52,263	517	314,457
At 31 December 2024:				
Cost	262,392	181,782	8,753	452,927
Accumulated amortisation	(715)	(129,519)	(8,236)	(138,470)
Net carrying amount	261,677	52,263	517	314,457

	Trademark and patents	Software	Others	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
31 December 2025				
At 1 January 2025				
Cost	262,392	181,782	8,753	452,927
Accumulated amortisation	(715)	(129,519)	(8,236)	(138,470)
Net carrying amount	261,677	52,263	517	314,457
Cost at 1 January 2025, net of accumulated amortisation	261,677	52,263	517	314,457
Additions	86	14,161	4	14,251
Disposals	(19)	—	—	(19)
Amortization provided during the year	(178)	(12,853)	(94)	(13,125)
Exchange realignment	(38)	(353)	(30)	(421)
At 31 December 2025	261,528	53,218	397	315,143
At 31 December 2025:				
Cost	262,391	194,752	8,589	465,732
Accumulated amortisation	(863)	(141,534)	(8,192)	(150,589)
Net carrying amount	261,528	53,218	397	315,143

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

16. INTANGIBLE ASSETS—continued

	Trademark and patents	Software	Others	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
30 June 2026				
At 1 January 2026				
Cost	262,391	194,752	8,589	465,732
Accumulated amortisation	(863)	(141,534)	(8,192)	(150,589)
Net carrying amount	261,528	53,218	397	315,143
Cost at 1 January 2026, net of accumulated amortisation	261,528	53,218	397	315,143
Additions	59	5,523	3	5,585
Disposals	—	(22)	—	(22)
Amortization provided during the period	(90)	(6,196)	(31)	(6,317)
Exchange realignment	1	128	15	144
At 30 June 2026	261,498	52,651	384	314,533
At 30 June 2026:				
Cost	262,461	200,842	8,634	471,937
Accumulated amortisation	(963)	(148,191)	(8,250)	(157,404)
Net carrying amount	261,498	52,651	384	314,533

Impairment testing of intangible assets with indefinite lives

The intangible assets of the Group with indefinite lives are the trademark of Club Med amounting to EUR261,161,000 which arose from the acquisition of Club Med SAS and its subsidiaries ("Club Med SAS Group") in 2015. The trademarks have indefinite life as the extension cost is low and they can be used indefinitely. The impairment test is based on the recoverable amount of the intangible assets, which is the fair value less costs of disposal.

The fair value calculation of the trademark of Club Med used the relief from royalty method are based on royalty rates from 1.5% to 2.5%, 1.5% to 2.5%,1.5% to 2.5% and 1.5% to 2.5% of forecasted revenues for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026, respectively. The revenues are forecasted based on an operational plan for a maximum period of three years, and the application of a growth rate of 2.5% on the subsequent two years as approved by senior management. The long-term growth rate of revenues beyond the five-year period are 1.9%, 1.9%, 1.9% and 1.9% for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026, respectively, which is also an estimate of the long-term rate of inflation. The discount rate applied to the royalty income were 8.94%, 9.62%, 9.18% and 9.90% for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026, respectively.

Assumptions were used in the fair value calculation of the trademarks for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026. The following describes each key assumption on which management has based its relief from royalty calculation to undertake impairment testing of the trademarks:

Discount rate - The discount rate used reflects specific risks relating to the trademarks.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

16. INTANGIBLE ASSETS—continued

Royalty rates - The royalty rates are determined based on comparable or similar transactions.

Long-term growth rate - The basis used to determine the value assigned to the long-term growth rate is the forecast price indices during the budget year from where the main businesses are located.

The values assigned to the discount rate, royalty rate and long-term growth rate are consistent with the Group's historical experience and external information sources.

Sensitivity to changes in key assumptions

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the recoverable amount of the trademark of Club Med exceeds the carrying amount by EUR181,499,000, EUR115,616,000, EUR121,146,000 and EUR85,120,000.

The following table sets forth the impact of reasonably possible changes in each of the key assumptions, with all other variables held constant, of the trademark impairment testing of the trademark of Club Med as of the dates indicated.

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the recoverable amount of the trademark of Club Med exceeds its carrying amount by:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Possible changes of key assumptions				
Discount rate increases by 1%	128,917	72,041	74,701	46,239
Royalty rate decreases by 0.5%	142,989	36,701	37,667	12,596
Long-term growth rate decreases by 0.5%	161,417	98,346	102,386	69,899

With regard to the assessment of fair value, management believes that no reasonably possible changes in any of the key assumptions would cause the recoverable amounts of the trademarks of Club Med to be materially lower than their carrying amounts.

17. GOODWILL

	EUR'000
Cost and net carrying amount at 1 January 2023	230,782
Exchange realignment	(402)
Cost and net carrying amount at 31 December 2023 and 1 January 2024	230,380
Exchange realignment	396
Cost and net carrying amount at 31 December 2024 and 1 January 2025	230,776
Exchange realignment	(807)
Cost and net carrying amount at 31 December 2025 and 1 January 2026	229,969
Exchange realignment	518
Cost and net carrying amount at 30 June 2026	230,487

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

17. GOODWILL—continued

Impairment testing of goodwill

The Group's goodwill acquired through business combination arises from the acquisition of Club Med SAS Group in February 2015 with amounts of EUR221 million and the acquisition of Kuyi International Travel Agency (Shanghai) Co., Ltd ("Kuyi") in April 2020. The goodwill has been allocated to the corresponding subsidiaries acquired for impairment testing as the acquired subsidiaries are the only cash-generating units that can benefit from synergy of the acquisition separately.

The recoverable amount of the cash-generating unit of Club Med SAS Group has been determined based on a value-in-use calculation using cash flow projections based on an operational plan for a maximum period of three years, and the application of a growth rate of 2.5% on the subsequent two years as approved by senior management. The discount rate applied to the cash flow projections were 10.6%, 11.9%, 11.2% and 12.1% as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively. The growth rate used to extrapolate the cash flows of the above cash-generating unit beyond the five-year period is 1.9%, 1.9%,1.9% and 1.9% as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively, which is also an estimate of the long-term rate of inflation.

The recoverable amount of the cash-generating unit of Kuyi has been determined based on a value-in-use calculation using cash flow projections based on an operational plan for a maximum period of five years. The discount rate applied to the cash flow projections were 16.4%, 16.5%, 17.1% and 16.7% as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively. The growth rate used to extrapolate the cash flows of the above cash-generating unit beyond the five-year period are 2.3%, 2.0%, 2.0% and 2.0% as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively, which is also an estimate of the long-term rate of inflation.

Assumptions were used in the value-in-use calculation of the cash-generating units for the year ended 31 December 2023, 2024, and 2025 and the six months ended 30 June 2026. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Discount rate - The discount rate used is before tax and reflects specific risks relating to the cash-generating units.

Long-term growth rate - The basis used to determine the value assigned to the long-term growth rate is the forecast price indices during the budget year from where the main businesses are located.

The values assigned to the discount rate and long-term growth rate are consistent with the Group's historical experience and external information sources.

Sensitivity to changes in key assumptions

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the recoverable amount of the cash-generating unit of Club Med SAS exceeds its carrying amount by EUR2,050,915,000, EUR1,302,160,000, EUR1,238,900,000 and EUR1,006,208,000, respectively.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

17. GOODWILL—continued

Sensitivity to changes in key assumptions—continued

The following table sets forth the impact of reasonable possible changes in each of the key assumptions, with all other variables held constant, of goodwill impairment testing of the cash-generating unit of Club Med SAS as of the dates indicated.

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the recoverable amount of the cash-generating units exceeds the carrying amount by:

Club Med SAS Group	As at 31 December			As at 30 June
	2023	2024	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Possible changes of key assumptions				
Pre-tax discount rate increases by 1%	1,780,845	1,617,755	1,537,140	823,220
Long-term growth rate decreases by 0.5%	1,955,654	1,622,116	1,536,332	947,280

With regard to the assessment of value in use, management believes that no reasonably possible changes in any of the key assumptions would cause the recoverable amount of the cash-generating unit for which goodwill is allocated to be materially lower than its carrying amount.

18. INVESTMENT IN A SUBSIDIARY

	As at 30 June
	2026
	EUR'000
Investment, at cost	—

Note: The Company invested in ClubMed HK at a nominal consideration of HKD0.001.

19. INVESTMENTS IN ASSOCIATES

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Share of net assets	33,150	30,503	31,327	31,374

The Group's amounts due from associates are disclosed in note 21 to the Historical Financial Information.

As at 31 December 2023, 2024, and 2025 and 30 June 2026, there were no material associates within the Group.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

19. INVESTMENTS IN ASSOCIATES—continued

The following table illustrates the aggregate financial information of the Group's associates that are not individually material.

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000 (Unaudited)*	*EUR'000*
Share of the associates' (losses)/profits for the year/period	(1,391)	(1,685)	2,136	2,033	332

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Aggregate carrying amount of the Group's investments in the associates	33,150	30,503	31,327	31,374

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Notes	As at 31 December			As at 30 June
		2023	2024	2025	2026
		EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Financial assets at fair value through profit or loss:					
Long-term investments					
Unlisted investments, at fair value	(i)	9,052	9,309	9,613	9,746
Total		9,052	9,309	9,613	9,746
Portion classified as current assets		1	—	—	—
Non-current portion		9,051	9,309	9,613	9,746

Note:

(i) They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

21. BALANCES WITH SHAREHOLDERS, SUBSIDIARIES AND RELATED COMPANIES

Group

	Notes	Year ended 31 December			As at 30 June
		2023	2024	2025	2026
		EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Due from related companies:					
Associates	(i)	1,428	912	1,816	932
Other related companies	(ii)	156,951	124,059	171,393	109,414
Total		158,379	124,971	173,209	110,346
Portion classified as current assets		147,016	124,213	172,443	110,327
Non-current portion		11,363	758	766	19

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

21. BALANCES WITH SHAREHOLDERS, SUBSIDIARIES AND RELATED COMPANIES—continued

Group—continued

Notes:

(i) As at 31 December 2023, 2024 and 2025 and 30 June 2026, the Group had balances due from its associates of EUR683,000, EUR179,000, EUR1,075,000 and EUR184,000, respectively. The balances were trade in nature, unsecured, interest-free and repayable on demand.

The remaining balances due from its associates as 31 December 2023, 2024 and 2025 and 30 June 2026 with amounts of EUR745,000, EUR733,000 and EUR741,000 and EUR748,000, respectively, was non-trade in nature, unsecured, bearing the interests at the rates of 1.8% and repayable in 2026.

(ii) As at 31 December 2023, 2024, and 2025 and 30 June 2026, the balances due from other related companies with amounts of EUR13,825,000, EUR28,285,000, EUR18,963,000 and EUR4,811,000, respectively, were trade in nature, unsecured, interest-free and repayable on demand.

The remaining balances due from other related companies as 31 December 2023, 2024 and 2025 and 30 June 2026 with amounts of EUR143,126,000, EUR95,774,000, EUR152,430,000 and EUR104,603,000, respectively, of which EUR10,594,000 and EUR11,155,000 as at 31 December 2023 and 2024 was a loan to New KRH Co., Ltd.("KRH"), a fellow subsidiary of the Controlling Shareholder. On 18 December 2022, a subsidiary of the Group provided a loan to KRH in the principal amount of EUR10 million to support the operation of Club Med Kiroro Peak resort. The interest rate was 5.59% and was repayable on 9 June 2025 and the loan was guaranteed by the Controlling Shareholder. And the remaining balance of EUR132,532,000, EUR84,619,000, EUR152,430,000 and EUR104,603,000 as at 31 December 2023, 2024, and 2025 and 30 June 2026, respectively, were non-trade in nature, unsecured, interest-free and repayable on demand.

Company

		Year ended 31 December			As at 30 June
	Notes	2023	2024	2025	2026
		EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Due from a subsidiary	(iii)	—	—	—	788,953

Notes:

(iii) As at 30 June 2026, the balances due from a subsidiary was non-trade in nature, unsecured, with a fixed interest rates of 5.8% per annum with the principal amount of EUR785,334,000 and repayable on demand.

Group

		Year ended 31 December			As at 30 June
	Notes	2023	2024	2025	2026
		EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Due to related companies:					
Other related companies	(iv)	411,768	455,897	449,359	102,510

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

21. BALANCES WITH SHAREHOLDERS, SUBSIDIARIES AND RELATED COMPANIES—continued

Group—continued

Notes:

(iv) As at 31 December 2023, 2024, and 2025 and 30 June 2026, the balances due to other related companies include amounts of EUR24,019,000, EUR20,217,000, EUR18,928,000 and EUR2,692,000, respectively, and were trade in nature, unsecured, interest-free and repayable on demand.

As at 31 December 2023, 2024, and 2025 and 30 June 2026, the balances due to other related companies with amounts of EUR117,825,000, EUR126,245,000, EUR133,239,000 and nil, respectively were non-trade in nature, unsecured, bearing the interests at the rates of 6.8%-12.4% and repayable on demand.

The remaining balances due to other related companies as at 31 December 2023, 2024, and 2025 and 30 June 2026 with amounts of EUR269,924,000, EUR309,435,000, EUR297,192,000 and EUR99,818,000, respectively were non-trade in nature, unsecured, interest-free and repayable on demand.

Company

	Notes	Year ended 31 December			As at 30 June
		2023	2024	2025	2026
		EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Due to related companies:					
A subsidiary	(v)	—	—	—	999
Other related companies	(v)	—	—	—	106
Total		—	—	—	1,105

Notes:

(v) As at 30 June 2026, the balances due to a subsidiary and related companies were non-trade in nature, unsecured, interest-free and repayable on demand.

22. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	Notes	As at 31 December			As at 30 June
		2023	2024	2025	2026
		EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Prepayments for various goods and services		130,553	127,098	123,926	115,033
Value-added tax to be deducted and certified		61,441	63,223	65,971	69,194
Deposits		23,883	24,710	30,216	30,768
Deferred **[REDACTED]** expenses		—	—	—	528
Other receivables consist of:					
Loans to third parties		16,936	17,068	16,934	16,615
Others		61,051	73,722	88,791	92,327
Total		293,864	305,821	325,838	324,465
Impairment allowance	(b)	(238)	(130)	(444)	(295)
		293,626	305,691	325,394	324,170
Portion classified as current assets		252,808	262,929	280,227	276,159
Non-current portion	(a)	40,818	42,762	45,167	48,011

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

22. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS—continued

Notes:

(a) The non-current portion of prepayments, other receivables and other assets as at the end of each of the Relevant Periods is set out below:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Non-current portion of prepayments, other receivables and other assets:				
Deposits for lease contracts and travel licence	23,881	24,705	30,206	30,731
Loans to third parties	16,936	17,068	14,050	13,731
Others	1	989	911	3,549
Total	40,818	42,762	45,167	48,011

(b) The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at 31 December 2023, 2024 and 2025 and 30 June 2026, the loss allowance was assessed to minimal.

23. DEFERRED TAX

Movements in deferred tax assets and liabilities are as follows:

Deferred tax assets

	Losses available for offsetting against future taxable profits	Lease liabilities	Others	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Gross deferred tax assets at 1 January 2023	44,196	355,566	18,368	418,130
Deferred tax credited/(charged) to the combined statement of profit or loss during the year	31,342	1,524	(7,150)	25,716
Exchange realignment	(90)	(175)	(248)	(513)
Gross deferred tax assets at 31 December 2023 and at 1 January 2024	75,448	356,915	10,970	443,333
Deferred tax (charged)/credited to the combined statement of profit or loss during the year	(12,231)	9,275	5,176	2,220
Exchange realignment	(1,219)	34	96	(1,089)
Gross deferred tax assets at 31 December 2024 and at 1 January 2025	61,998	366,224	16,242	444,464
Deferred tax charged to the combined statement of profit or loss during the year	(19,254)	(1,853)	(479)	(21,586)
Exchange realignment	(281)	(97)	(147)	(525)
Gross deferred tax assets at 31 December 2025 and at 1 January 2026	42,463	364,274	15,616	422,353
Deferred tax (charged)/credited to the combined statement of profit or loss during the period	(10,420)	96	(6,200)	(16,524)
Exchange realignment	651	(1,848)	21	(1,176)
Gross deferred tax assets at 30 June 2026	32,694	362,522	9,437	404,653

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

23. DEFERRED TAX—continued

Deferred tax liabilities

	Fair value adjustments arising from acquisition of subsidiaries and others	Right-of- use assets	Total
	EUR'000	*EUR'000*	*EUR'000*
Gross deferred tax liabilities at 1 January 2023	112,889	342,647	455,536
Deferred tax credited to the combined statement of profit or loss during the year	(2,334)	(1,043)	(3,377)
Disposal of a subsidiary (note 39)	(3,380)	—	(3,380)
Exchange realignment	578	268	846
Gross deferred tax liabilities at 31 December 2023 at 1 January 2024	107,753	341,872	449,625
Deferred tax credited to the combined statement of profit or loss during the year	(4,804)	(4,961)	(9,765)
Exchange realignment	(2,104)	(8)	(2,112)
Gross deferred tax liabilities at 31 December 2024 at 1 January 2025	100,845	336,903	437,748
Deferred tax credited to the combined statement of profit or loss during the year	(4,060)	(4,861)	(8,921)
Exchange realignment	(1,656)	299	(1,357)
Gross deferred tax liabilities at 31 December 2025 and 1 January 2026	95,129	332,341	427,470
Deferred tax credited to the combined statement of profit or loss during the period	(160)	(1,040)	(1,200)
Exchange realignment	1,553	(1,843)	(290)
Gross deferred tax liabilities at 30 June 2026	96,522	329,458	425,980

For presentation purposes, certain deferred tax liabilities have been offset in the combined statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Deferred tax offset in the combined statement of financial position	368,961	380,734	375,984	368,548
Net deferred tax assets recognised in the combined statement of financial position	74,372	63,730	46,369	36,105
Net deferred tax liabilities recognised in the combined statement of financial position	80,664	57,014	51,486	57,432

Deferred tax assets have not been recognised in respect of the following item:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Tax losses	448,903	420,558	462,520	361,764

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

23. DEFERRED TAX—continued

Tax losses carried forward as at the end of the year/period:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Less than one year	7,047	20,998	44,949	25,136
One to five years	185,296	183,843	189,485	108,542
Beyond five years	52,319	47,182	52,614	52,614
Without limitation	204,241	168,535	175,472	175,472
Total	448,903	420,558	462,520	361,764

Tax losses arising in Chinese mainland will expire in one to five years (the tax loss in 2020 can be extended to eight years due to special policies implemented during the COVID-19 period) for offsetting against future taxable profits. Tax losses arising in locations other than Chinese mainland will be available indefinitely or expire in one to over five years for offsetting against future taxable profits as shown above. Deferred tax assets have not been recognised in respect of the above items as it is not considered probable that taxable profits will be available against which the above items can be utilised.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

24. INVENTORIES

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Goods for resale	19,847	18,263	17,989	15,586
Consumables and supplies	15,499	14,924	12,939	12,672
	35,346	33,187	30,928	28,258
Impairment	(228)	(333)	(746)	(494)
Total	35,118	32,854	30,182	27,764

25. COMPLETED PROPERTIES FOR SALE

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Completed properties for sale	661	6,261	2,787	522

The completed properties for sale are situated in France.

26. PROPERTIES UNDER DEVELOPMENT

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Construction costs	12,774	3,324	4,590	4,727

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

26. PROPERTIES UNDER DEVELOPMENT—continued

The Group's properties under development are situated in France.

27. TRADE RECEIVABLES

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Trade receivables	64,040	53,790	41,004	34,375
Impairment	(5,968)	(2,723)	(2,909)	(2,983)
Net carrying amount	58,072	51,067	38,095	31,392

The Group seeks to maintain strict control over its outstanding receivables to minimise the credit risk. Overdue balances are reviewed regularly by management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

The carrying amounts of the trade receivables in the combined statement of financial position approximate to their fair values.

An ageing analysis of the trade receivables as at 31 December 2023, 2024 and 2025 and 30 June 2026, based on the invoice date and net of loss allowance, is as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Outstanding balances with ages:				
Within 90 days	54,861	49,875	37,251	30,004
91 to 180 days	2,310	750	460	935
181 to 365 days	342	87	78	174
1 to 2 years	290	95	97	129
2 to 3 years	269	239	51	32
Over 3 years	—	21	158	118
Total	58,072	51,067	38,095	31,392

The movements in the loss allowance for impairment of trade receivables are as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
At beginning of year/period	5,469	5,968	2,723	2,909
Amount written off as uncollectible	(252)	(3,621)	(500)	(232)
Impairment losses, net	787	283	851	226
Exchange realignment	(36)	93	(165)	80
At end of year/period	5,968	2,723	2,909	2,983

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

27. TRADE RECEIVABLES—continued

An impairment analysis was performed as at 31 December 2023, 2024 and 2025 and 30 June 2026 using a provision matrix to measure expected credit losses. The provision rates are based on ageing of trade receivables with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2023	Less than 1 year	1-2 years	2-3 years	Over 3 years
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Expected loss rate	0.8%	78.1%	85.3%	100.0%
Gross carrying amount (EUR'000)	57,973	1,326	1,832	2,909
Expected credit losses (EUR'000)	460	1,036	1,563	2,909

As at 31 December 2024	Less than 1 year	1-2 years	2-3 years	Over 3 years
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Expected loss rate	0.5%	83.3%	48.8%	98.8%
Gross carrying amount (EUR'000)	50,957	570	467	1,796
Expected credit losses (EUR'000)	245	475	228	1,775

As at 31 December 2025	Less than 1 year	1-2 years	2-3 years	Over 3 years
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Expected loss rate	1.5%	79.1%	72.5%	91.9%
Gross carrying amount (EUR'000)	38,408	464	185	1,947
Expected credit losses (EUR'000)	619	367	134	1,789

As at 30 June 2026	Less than 1 year	1-2 years	2-3 years	Over 3 years
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Expected loss rate	2.0%	67.4%	87.2%	94.0%
Gross carrying amount (EUR'000)	31,759	395	248	1,973
Expected credit losses (EUR'000)	646	266	216	1,855

The expected loss rate is reviewed, and adjusted if appropriate, at the end of the year of 2023, 2024 and 2025 and the six months ended 30 June 2026.

28. DERIVATIVE FINANCIAL INSTRUMENTS

As at 31 December 2023

	Fair value	
	Assets	Liabilities
	EUR'000	*EUR'000*
Qualifying for hedge accounting		
Cash flow hedge derivatives		
Currency swaps	458	1,412
Forward currency contracts	912	2,808
Interest rate options	5,944	—
Fair value hedge derivatives		
Currency swaps	1,980	973
Total	9,294	5,193

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

28. DERIVATIVE FINANCIAL INSTRUMENTS—continued

As at 31 December 2024

	Fair value	
	Assets	Liabilities
	EUR'000	*EUR'000*
Qualifying for hedge accounting		
Cash flow hedge derivatives		
Currency swaps	46	15
Forward currency contracts	3,521	450
Interest rate options	2,714	441
Fair value hedge derivatives		
Currency swaps	641	2,169
Total	6,922	3,075

As at 31 December 2025

	Fair value	
	Assets	Liabilities
	EUR'000	*EUR'000*
Qualifying for hedge accounting		
Cash flow hedge derivatives		
Currency swaps	54	183
Forward currency contracts	917	4,239
Interest rate options	347	93
Fair value hedge derivatives		
Currency swaps	2,361	323
Interest rate swaps	424	—
Total	4,103	4,838

As at 30 June 2026

	Fair value	
	Assets	Liabilities
	EUR'000	*EUR'000*
Qualifying for hedge accounting		
Cash flow hedge derivatives		
Currency swaps	439	346
Forward currency contracts	1,268	853
Interest rate swaps	—	372
Fair value hedge derivatives		
Currency swaps	138	453
Interest rate swaps	384	—
Forward currency contracts	41	—
Total	2,270	2,024

Cash flow hedges

The Group operates resorts all over the world and is exposed to the risk of fluctuations in foreign exchange rates. Forward currency contracts and currency swaps are designated as hedging instruments in respect of the transaction currency risk arising from the future cash flows denominated

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

28. DERIVATIVE FINANCIAL INSTRUMENTS—continued

Cash flow hedges—continued

in a currency other than the functional currency of the entities within the Group. The balances of the forward currency contracts and currency swaps vary with the levels of expected foreign currency transactions and changes in foreign exchange forward rates. The terms of the above hedging instruments match the expected highly probable forecast transactions.

Interest rate swaps whereby the Group receives interest at variable rates and pays interest at fixed rates are designated as hedging instruments in respect of forecast future interest expenses on interest-floating borrowings to which the Group has firm commitments. The balances of the interest rate swaps vary with the terms and principal amounts of the interest-floating borrowings and changes in variable rates which are generally based on the Europe Interbank Offered Rate. The terms of the above hedging instruments match the terms of the commitments.

The cash flow hedges which were assessed to be highly effective and net losses of EUR9,233,000, net gains of EUR860,000, net losses of EUR7,262,000 and net gains of EUR2,489,000 for each of the Relevant Periods were included in the hedging reserve as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Effective portion of changes in fair value of hedging instruments arising during the year/period	(6,170)	295	(3,115)	1,207
Reclassification adjustments for (losses)/gains included in the combined statement of profit or loss	(3,063)	565	(4,147)	1,282
Total	(9,233)	860	(7,262)	2,489

Fair value hedge

Currency swaps are designated as hedging instruments in respect of the currency risk on intercompany financing denominated in a currency other than the functional currency of the borrowing entities within the Group. The hedge of the currency swaps was assessed to be effective.

29. NON-CURRENT ASSETS HELD FOR SALE

Property, plant and equipment held for sale:

	Notes	As at 31 December			As at 30 June
		2023	2024	2025	2026
		EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Cost		—	—	—	12,265

As at 30 June 2026, assets held for sale included the property, plant and equipment with the carrying amount of EUR12,265,000, as the sale within 12 months from the date of the said classification was considered highly probable.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

30. CASH AND BANK BALANCES

Group

	Notes	As at 31 December			As at 30 June
		2023	2024	2025	2026
		EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Cash and current deposits		118,322	107,514	121,927	125,044
Time deposits		14,610	10,634	16,848	4,906
Other cash equivalents		16,006	16,989	6,480	9,205
		148,938	135,137	145,255	139,155
Portion classified as current assets		147,352	135,137	145,255	139,155
Non-current portion		1,586	—	—	—
Less: Pledged bank balances	(a)	1,586	—	—	—
Restricted advanced booking proceeds	(b)	29,541	26,612	20,824	13,352
		31,127	26,612	20,824	13,352
Cash and cash equivalents		117,811	108,525	124,431	125,803

Notes:

(a) It mainly comprises the following:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Pledged bank balances to secure bank loans (note 31)	1,586	—	—	—

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The cash and cash equivalents and restricted cash are deposited with creditworthy banks with no recent history of default.

(b) Under the Regulation Respecting Travel Agents (Quebec), curtain subsidiaries in Canada involved in the travel agency services of the Group are required to place in designated bank accounts certain amounts of advanced booking proceeds of tourism services. The deposits can only be withdrawn and used for a broad range of operational purposes connected with the underlying travel activity, including services to be rendered to customers and expenditures incurred on their behalf.

Company

	As at 30 June
	2026
	EUR'000
Cash and current deposits	13,156

Note: As at 30 June 2026, the Company has no restricted cash and deposits.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

31. INTEREST-BEARING BANK AND OTHER BORROWINGS

Group

	Notes	As at 31 December			As at 30 June
		2023	2024	2025	2026
		EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Bank loans:					
Secured	(a)	198,672	142,117	142,262	405,730
Unsecured		224,959	189,558	143,566	256,848
Total		423,631	331,675	285,828	662,578
Repayable:					
Within one year		214,063	100,564	101,215	93,659
In the second year		105,969	67,324	20,208	81,983
In the third to five-years, inclusive		59,599	163,787	164,405	486,936
Over five years		44,000	—	—	—
		423,631	331,675	285,828	662,578
Portion classified as current liabilities		214,063	100,564	101,215	93,659
Non-current portion		209,568	231,111	184,613	568,919

Notes:

(a) Certain of the Group's bank loans are secured by the pledges of assets with carrying values as at 31 December 2023, 2024 and 2025 and 30 June 2026 as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Pledge of assets:				
Pledged deposit	1,586	—	—	—

Apart from the above, certain interest-bearing bank borrowings are secured by investments in subsidiaries as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively.

The Group's bank loans bear interest at fixed rates ranging from 0.75% to 7.00%, from 0.75% to 7.00%, from 0.75% to 7.00% and from 0.75% to 7.00% per annum as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively. The Group's bank loans bear interest at floating rates with margin ranging from 0.90% to 8.50%, from 0.70% to 2.80%, from 0.70% to 2.80% and from 0.70% to 2.80% per annum as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively.

Except for the bank loan with amounts of HKD1,090,332,000 (equivalent to EUR121,933,000) which bears interest at HIBOR plus 2.25% and is denominated in Hong Kong dollars, all borrowings are in Euro.

Certain loans within the Group are subject to financial covenants. As at 31 December 2023, 2024 and 2025 and 30 June 2026, the Group considers there is no indication that it will have difficulties in complying with those covenants.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

31. INTEREST-BEARING BANK AND OTHER BORROWINGS—continued

Company

	Notes	2026
		EUR'000
Bank loans:		
Secured	(b)	400,890
Repayable:		
Within one year		39,150
In the second year		60,291
In the third to five-years, inclusive		301,449
		400,890
Portion classified as current liabilities		39,150
Non-current portion		361,740

(a) The Company's bank loans bear interest at floating rates with margin of 2.25% per annum as at 30 June 2026.

The interest-bearing bank borrowings are secured by investments in subsidiaries as at 30 June 2026.

Except for the bank loan with amounts of HKD1,090,332,000 (equivalent to EUR121,933,000) which bears interest at HIBOR plus 2.25% and is denominated in Hong Kong dollars, all borrowings are in Euro.

Certain loans within the Company are subject to financial covenants. As at 30 June 2026, the Company considers there is no indication that it will have difficulties in complying with those covenants.

32. CONTRACT LIABILITIES

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Contract liabilities	117,156	111,467	102,791	107,564

The Group receives payments from customers based on the billing schedule as established in contracts. Payments are usually received in advance of the performance under the contracts from resort operation.

The following table shows the amount of revenue recognised in the Relevant Periods that was included in the contract liabilities at the beginning of each of the Relevant Periods:

	As at 1 January			As at 31 December
	2023	2024	2025	2025
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Revenue recognised during the year/period that was included in the contract liabilities balance at the beginning of the year/period	92,752	117,156	111,467	102,791

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

32. CONTRACT LIABILITIES—continued

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2023, 2024 and 2025 and 30 June 2026 are as follows：

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Expected to be recognised within one year	117,156	111,467	102,791	107,564

33. TRADE PAYABLES

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Trade payables	177,196	180,295	169,540	149,021

An ageing analysis of the trade payables as at 31 December 2023, 2024 and 2025 and 30 June 2026, based on the invoice date, is as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Within 90 days	160,699	174,682	165,212	143,305
91 to 180 days	2,229	2,827	1,845	2,169
181 to 365 days	1,393	242	615	1,419
1 to 2 years	9,123	27	150	460
2 to 3 years	1,341	396	21	103
Over 3 years	2,411	2,121	1,697	1,565
Total	177,196	180,295	169,540	149,021

Trade payables are non-interest-bearing.

34. ACCRUED LIABILITIES AND OTHER PAYABLES

Group

	Notes	As at 31 December			As at 30 June
		2023	2024	2025	2026
		EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Advanced booking deposits	(i)	495,137	538,707	573,439	512,110
Payables related to:					
Purchases of property, plant and equipment		7,609	10,964	12,927	8,352
Payroll		68,237	70,271	77,761	67,300
Tax liabilities (other than income tax)		21,456	21,200	21,478	22,210
[REDACTED] expenses payable		—	—	—	2,079
Put option granted to non-controlling shareholders of a subsidiary	(ii)	40,047	—	—	—
Provisions for litigation and others	(iii)	45,890	24,243	33,598	28,428
Others		18,135	15,865	16,040	13,046
Total		696,511	681,250	735,243	653,525

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

34. ACCRUED LIABILITIES AND OTHER PAYABLES—continued

Notes:

(i) The balance mainly represents the proceeds from the customers in advance arising from certain contracts which can be cancelled without any condition before the services and goods are delivered by the Group.

(ii) Pursuant to the put option agreements signed in February 2015 and subsequent amendment signed in December 2020 between Fosun Luxembourg, a subsidiary of the Company, and certain non-controlling shareholders of CMH, the non-controlling shareholders of CMH as at 31 December 2023 had certain embedded put rights that were exercisable commencing on the departure of the relevant employee shareholder or on the fourth or fifth anniversary of the agreement date, which, if exercised, would require Fosun Luxembourg to acquire the non-controlling interests at a price based on certain multiples of Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") of CMH after the adjustment of certain items. In accordance with IFRS 10, the Company recorded the non-controlling shareholders' portion of profit or loss in its combined statement of profit or loss, and the put option amount was classified as a financial liability at the end of the year and the changes in the amount of the options were recognised in equity (other reserve). In February 2024, all the remaining non-controlling shareholders exercised their put option right.

(iii) The balance mainly includes the provisions for litigation which cover commercial claims, employee claims, and disputes with government agencies and the provisions for the site restructuring and closures of the resorts.

Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Payables related to:				
[REDACTED] expenses payable	—	—	—	1,080

35. OTHER LONG TERM PAYABLES

		As at 31 December			As at 30 June
		2023	2024	2025	2026
		EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
	Note				
Defined benefit plans	(i)	34,541	34,819	34,186	34,132
Others		1,857	2,797	2,307	2,238
Total		36,398	37,616	36,493	36,370

Note:

(i) Under defined benefit plans, the Group has an obligation to provide benefits to employees on their retirement. The Group's defined benefit plans are unfunded and are covered by provisions recorded in the Historical Financial Information.

The present value of the defined benefit obligations was mainly carried out by Willis Towers-Watson, a member of the Actuarial Society of France. The Group's obligations

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

35. OTHER LONG TERM PAYABLES—continued

under defined benefit plans are measured using the projected unit credit method. This method involves the use of long-term actuarial assumptions concerning demographic variables (such as employee turnover and mortality) and financial variables (such as future increases in salaries and discount rates). These variables are reviewed each year.

The discount rate is determined by reference to the market yields at the reporting date of high quality corporate bonds.

The principal actuarial assumptions used for the major defined benefit plan of the Group as at the end of each of the Relevant Periods are as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Discount rate	3.20%	3.38%	4.00%	4.00%
Expected rate of salary increase	3.00-3.75%	2.75-3.50%	2.5-3.25%	2.5-3.25%

A quantitative sensitivity analysis for significant assumptions for the major defined benefit plan of the Group as at 31 December 2023, 2024 and 2025 and 30 June 2026 are shown below:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Discount rate changed to	3.70%	3.88%	4.50%	4.50%
Adjustment to the liability	(813)	(775)	(757)	(757)
Discount rate changed to	2.70%	2.88%	3.50%	3.50%
Adjustment to the liability	865	823	803	803
Expected rate of salary increase changed to	4.25%	4.00%	3.75%	3.75%
Adjustment to the liability	879	775	803	803
Expected rate of salary increase changed to	2.50%	2.25%	2.00%	2.00%
Adjustment to liability	(800)	(823)	(757)	(757)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligations as a result of reasonable changes in key assumptions occurring as at 31 December 2023, 2024 and 2025 and 30 June 2026. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligations as it is unlikely that changes in assumptions would occur in isolation of one another.

The total expenses recognised in the combined statement of profit or loss in respect of the plan are as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Current service cost	2,456	2,788	2,961	1,440
Interest expense	1,193	1,086	1,092	612
Net benefit expenses	3,649	3,874	4,053	2,052

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

35. OTHER LONG TERM PAYABLES—continued

The movements in the present value of the defined benefit obligations are set out below:

	Year ended 31 December			As at 30 June
	2023	2024	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
At beginning of year/period	33,686	34,541	34,819	34,186
Current service cost	2,456	2,788	2,961	1,440
Interest expense	1,193	1,086	1,092	612
Benefits paid	(2,270)	(1,792)	(1,864)	(1,263)
Losses/(gains) from actuarial changes in other comprehensive income	2,050	(705)	140	(33)
Others and exchange realignment	(2,574)	(1,099)	(2,962)	(810)
At end of year/period	34,541	34,819	34,186	34,132

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

35. OTHER LONG TERM PAYABLES—continued

The defined benefit plan is unfunded, and there are no expected contributions in the next 12 months.

The average duration of the defined benefit obligations as at 31 December 2023, 2024 and 2025 and 30 June 2026 were 5 to 12 years, around 7 years, around 7 years and 7 years, respectively.

36. SHARE CAPITAL

Shares

	As at 30 June 2026
	EUR'000
Issued and fully paid ordinary shares	1,000

	Number of shares	Nominal value of EUR0.0001 each EUR
Authorized		
At 1 January 2026	—	—
Issue of shares	10,000,000,000	1,000,000
At 30 June 2026	10,000,000,000	1,000,000

On 8 May 2026, the Company was incorporated in the Cayman Islands with authorised share capital of EUR1,000,000 divided into 10,000,000,000 shares at a par value of EUR0.0001 each. On the same date, all shares were issued and fully paid by ClubMed Holiday Group Holdings Limited. The consideration exceeding the nominal amount of the issued share capital amounted to EUR399,000,000 was recorded in share premium of the Company.

37. RESERVES

The Group's reserves and the movements therein for each of the Relevant Periods and the six months ended 30 June 2025 are presented in the combined statement of changes in the equity in the Historical Financial Information.

Merger reserve

The Company was incorporated in May 2026 and it acquired relevant subsidiaries now comprising the Group in the year of 2026 from the Controlling Shareholder. The merger reserve of the Group mainly represents the reserve arising pursuant to the reorganisation of the Group completed in 2026.

Capital and other reserves

(i) The Group has granted put options to certain non-controlling shareholders of CMH. The put options provide the holders the option to require the Group to purchase the shares held by the non-controlling shareholders at a determinable price. In 2024, all non-controlling shareholders exercised their put option right, and the differences between the proportionate shares of net assets acquired and exercise prices was recognised in other reserves.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

37. RESERVES—continued

Capital and other reserves—continued

(ii) During the years of 2023 and 2024, the Group acquired non-controlling interests in its subsidiaries. The differences between the consideration and the proportionate shares of net assets acquired were recorded in capital and other reserve.

(iii) The share capital of Fosun Luxembourg, ClubMed HK, Yuezhixue, Fosun Macao, which are now comprising the Group under the Reorganization, was recorded in capital and other reserve before the incorporation of the Company, and upon the completion of the Reorganization, it was reclassified to merger reserve. Details are set out in combined statements of the changes in equity.

(a) On 19 December 2025, Shanghai Fanyou Information Technology Co., Ltd. ("Fanyou IT") capitalised its payables due to the Controlling Shareholder amounted to RMB335,000,000 (equivalent to EUR41,427,000) to its capital reserve which was recorded in capital and other reserve before the incorporation of the Company.

(b) On 30 April 2026, ClubMed HK capitalised its payables due to the Controlling Shareholder amounted to HKD24,098,000 (equivalent to EUR2,636,000) to its capital reserve which was recorded in capital and other reserve before the incorporation of the Company.

On 7 May 2026, Shanghai Meituo Cultural Development Co., Ltd. ("Shanghai Meituo") capitalised its payables due to the Controlling Shareholder amounted to RMB33,232,000 (equivalent to EUR4,139,000) to its capital reserve which was recorded in capital and other reserve before the incorporation of the Company.

(c) Upon incorporation of the Company on May 8, 2026, capital and other reserves which represents the share capital and share premium of Fosun Luxembourg, ClubMed HK, Yuezhixue and Fosun Macao was reclassified to merge reserve accordingly with amounts of EUR951,584,000.

(d) On 15 May 2026, Fosun Luxembourg capitalised their payables due to the Controlling Shareholder amounted to EUR232,006,000 to its capital reserve which was recorded in merger reserve after the incorporation of the Company.

On 20 May 2026, Kuyi capitalized its payables due to the Controlling Shareholder amounted to RMB266,010,000 (equivalent to EUR33,127,000) to its capital reserve which was recorded in merger reserve after the incorporation of the Company.

On 31 May 2026, Yuezhixue capitalized its payables due to the Controlling Shareholder amounted to RMB36,418,000 (equivalent to EUR4,535,000) to its capital reserve which was recorded in merger reserve after the incorporation of the Company.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

37. RESERVES—continued

On 1 June 2026, Zhuhai Hengqin Fosun Tourism Development Co., Ltd. ("Zhuihai Henqing FCT") capitalised its payables due to the Controlling Shareholder amounted to RMB11,900,000 (equivalent to EUR1,482,000) to its capital reserve which was recorded in merger reserve after the incorporation of the Company.

Capital and other reserves—continued

(e) Besides, the Controlling Shareholder also capitalized the structure fee of interest-bearing bank borrowings with amounts of EUR1,250,000 for the six months ended 30 June 2026 and credited as deemed capital contribution from the Controlling Shareholder in the equity.

(f) Except for the capitalization of payables due to the Controlling Shareholder, the Controlling Shareholder provided salary expenses for management team, to the companies now comprising the Group without charges during the Relevant Periods and the six months ended 30 June 2025, amounted to EUR5,155,000, EUR4,180,000, EUR5,633,000, EUR1,753,000 and EUR3,116,000, respectively. Given the cost of those corporate administration services was part of business activities of the companies now comprising the Group, the costs as shared with the Controlling Shareholder have been charged to the combined income statements and credited as deemed capital contribution from the Controlling Shareholder in the equity.

(g) On 1 May 2026, ClubMed HK completed the acquisition of the entire equity interests in Yuezhixue at a nominal consideration of RMB1.

On 15 May 2026, Yuezhixue completed the acquisition of the entire equity interests in Shanghai Meituo at a nominal consideration of RMB1.

On 27 May 2026, the Company completed the acquisition of the entire equity interests in ClubMed HK at a nominal consideration of HKD0.001.

On 29 May 2026, Yuezhixue completed the acquisition of the entire equity interests in Fanyou IT at nil consideration.

On 1 June 2026, Yuezhixue completed the acquisition of the entire equity interests in Kuyi at a nominal consideration of RMB1.

On 2 June 2026, ClubMed HK completed the acquisition of the entire equity interests in Fosun Luxembourg at a consideration of EUR785,334,000 and the merger reserve decreased accordingly.

On 10 June 2026, Fosun Macao completed the acquisition of the entire equity interests in Zhuihai Henqing FCT at a nominal consideration of RMB1.

(iv) The remaining amount of capital and other reserves mainly consists of fair value adjustments of hedging instruments in cash flow hedges, the actuarial reserve relating to employee benefits in the defined benefit plans and reserves relating to the share-based payments.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

38. SHARE-BASED PAYMENTS

Share option scheme

Fosun Tourism Group ("FTG") operates share option schemes for the purpose of providing the eligible participants with the opportunity to acquire proprietary interests in FTG and to encourage the eligible participants to work towards enhancing the value of FTG and its shares for the benefit of FTG and its shareholder(s) as a whole. The eligible participants include directors, full-time employees of FTG or any of its subsidiaries and any person who the board of directors considers to be able to enhance the operations or the value of FTG.

The 2017 share option scheme ("2017 Share Option Scheme"), the 2019 share option scheme ("2019 Share Option Scheme"), and the 2024 share option scheme ("2024 Share Option Scheme") were approved by the shareholders of Fosun International Limited and became effective on 23 February 2018, 27 November 2019 and 17 May 2024, respectively. Unless otherwise cancelled or amended, the share option scheme will remain in force for 10 years from the date of adoption.

Pursuant to the 2017 Share Option Scheme, the 2019 Share Option Scheme and the 2024 Share Option Scheme, certain share options were granted to eligible participants with vesting periods from one to four years.

Pursuant to the Share Incentive Proposal in Relation to the Proposed Privatization of Fosun Tourism Group by Way of a Scheme of Arrangement, on 19 March 2025, FTG cancelled the 2017 Share Option Scheme and the 2019 Share Option Scheme at a nominal price of HK$0.0001 per share, for an acceleration of vesting when FTG settled a grant of equity instruments in advance. And FTG also cancelled 2024 Share Option Scheme at a cancellation price of HK$7.8 per share, which created an obligation to settle outstanding share incentives in cash over the vesting periods. The modification of the settlement method resulted in a reclassification of the share-based payment arrangements from equity-settled to cash-settled in FTG.

Free share ownership plans

FTG operates free share ownership plans for the purpose to provide the directors of FTG and other employees of FTG with the opportunity to receive proprietary interests in the shares of FTG and to encourage the eligible participants to work towards enhancing the value of FTG and its shares for the benefit of FTG and its shareholders as a whole.

The 2019 free share ownership plan (the "2019 Free Share Ownership Plan") and the 2024 free share ownership plan (the "2024 Free Share Ownership Plan") were approved and became effective on 19 August 2019 and 17 May 2024, respectively. Unless otherwise cancelled or amended, the free share ownership plan will remain in force for 10 years from the date of adoption.

Pursuant to the 2019 Free Share Ownership Plan and the 2024 Free Share Ownership Plan, certain share units were granted to eligible participants with vesting periods from one to four years.

Pursuant to the Share Incentive Proposal in Relation to the Proposed Privatization of Fosun Tourism Group by Way of a Scheme of Arrangement, on 19 March 2025, FTG cancelled the 2019 Free Share Ownership Plan and the 2024 Free Share Ownership Plan at a cancellation price of HK$7.8 per

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

38. SHARE-BASED PAYMENTS—continued

share, which created an obligation to settle outstanding share incentives in cash. The modification of the settlement method resulted in a reclassification of the share-based payment arrangements from equity-settled to cash-settled in FTG.

The incremental fair value at the date of modification was measured as the difference between the fair value of the cash-settled instruments and the fair value of the cancelled equity-settled instruments at the modification date, and the incremental fair value will be expensed over the period from the date of modification to the date of settlement of the cash-settled award.

The Group recognised share-based payment expenses of EUR4,700,000, EUR3,153,000 and EUR3,016,000, EUR2,081,000 and EUR786,000 during the year ended 31 December 2023, 2024 and 2025 and six months ended 30 June 2025 and 2026, respectively.

39. DISPOSAL OF A SUBSIDIARY

In May 2023, the Group completed the disposal of its 54% equity interests in a subsidiary, Société Villages Hôtel des Caraïbes ("SVHC"), at a consideration of EUR22,072,000. SVHC owned the Les Boucaniers Resort in France. The Group then entered into a lease contract with the buyer for the leaseback of the assets of Les Boucaniers on a 15-year term and continued to operate the resort. The Group measured the right-of-use assets arising from the leaseback for the proportion that related to the right of use retained by the Group and recognised the amount of the gain that relates to the rights transferred to the buyer.

The total net assets disposed of in respect of the disposal of the subsidiary were as follows:

	EUR'000
Property, plant and equipment (note 14)	32,230
Trade receivables	1,651
Trade payables	(112)
Accrued liabilities and other payables	(6,208)
Due from related parties	3,092
Deferred tax liabilities (note 23)	(3,380)
Deferred income	(6,667)
Non-controlling interests	(13,738)
	6,868
Portion relating to the right of use retained in the leaseback	5,107
Provision for disposal costs	1,528
Gain on disposal of a subsidiary (note 6)	8,569
	22,072
Satisfied by:	
Cash	22,072

An analysis of the cash flows in respect of the disposal of a subsidiary is as follows:

	EUR'000
Cash consideration	22,072
Net inflow of cash and cash equivalents included in cash flows from investing activities	22,072

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

40. NOTES TO THE COMBINED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the Relevant Periods and the six months ended 30 June 2025, the Group had non-cash additions to right-of-use assets of EUR108,437,000, EUR192,928,000, EUR122,547,000 and EUR18,897,000 and to lease liabilities of EUR112,190,000, EUR 192,070,000, EUR122,499,000 and EUR18,828,000 respectively, in respect of lease arrangements for buildings, machinery, furniture, fixtures and other equipment.

On 8 May 2026, the Company was incorporated and all shares were issued to ClubMed Holiday Group Holdings Limited with amounts of EUR400,000,000. During the six months ended 30 June 2026, the Company entered into a syndicated loan facility agreement with certain banks for an aggregated principal amount of HKD1,090,332,000 and EUR280,000,000. Concurrently, the Company became obligated to pay the acquisition consideration of EUR785,334,000 for the entire equity interests in Fosun Luxembourg. To avoid the circumvention of cash settlement, a debt-set off agreement was entered into among multiple parties, pursuant to which (i) amounts of EUR400,000,000 was applied to discharge part of the acquisition consideration, and (ii) the remaining consideration of EUR385,334,000 was settled by way of a set-off against the Company's borrowing under the syndicated facility, such that the Company recognised an interest-bearing bank borrowing of EUR385,334,000 while the acquisition obligation was extinguished in full.

(b) Changes in liabilities arising from financing activities

	Interest bearing bank borrowings	Lease liabilities	Due to related companies
	EUR'000	*EUR'000*	*EUR'000*
At 1 January 2023	474,176	1,511,229	390,038
Changes from financing cash flows	(81,194)	(200,973)	14,495
Changes from operating cash flows	—	—	10,178
New leases	—	112,190	—
Disposal of leases	—	(13)	—
Exchange realignment	—	(9,963)	(8,700)
Interest expense	30,649	72,981	5,757
At 31 December 2023	423,631	1,485,451	411,768

	Interest bearing bank borrowings	Lease liabilities	Due to related companies
	EUR'000	*EUR'000*	*EUR'000*
At 1 January 2024	423,631	1,485,451	411,768
Changes from financing cash flows	(124,984)	(216,849)	33,010
Changes from operating cash flows	—	—	(4,099)
New leases	—	192,070	—
Exchange realignment	—	5,653	6,798
Interest expense	33,028	73,856	8,420
At 31 December 2024	331,675	1,540,181	455,897

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

40. NOTES TO THE COMBINED STATEMENT OF CASH FLOWS—continued

(b) Changes in liabilities arising from financing activities—continued

	Interest bearing bank borrowings	Lease liabilities	Due to related companies
	EUR'000	*EUR'000*	*EUR'000*
At 1 January 2025	331,675	1,540,181	455,897
Changes from financing cash flows	(66,075)	(222,664)	43,387
Changes from operating cash flows	—	—	(674)
New leases	—	122,499	—
Deemed contribution from the Controlling Shareholder	—	—	(41,427)
Exchange realignment	—	(25,030)	(14,818)
Interest expense	20,228	74,646	6,994
At 31 December 2025	285,828	1,489,632	449,359

	Interest bearing bank borrowings	Lease liabilities	Due to related companies
	EUR'000	*EUR'000*	*EUR'000*
At 1 January 2025	331,675	1,540,181	455,897
Changes from financing cash flows	(2,961)	(106,387)	64,296
Changes from operating cash flows	—	—	(12,082)
New leases	—	52,813	—
Exchange realignment	—	(21,730)	(21,392)
Interest expense	10,388	37,007	4,164
At 30 June 2025	339,102	1,501,884	490,883

	Interest bearing bank borrowings	Lease liabilities	Due to related companies	[REDACTED] expense payable in accrued liabilities and other payables
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
At 1 January 2026	285,828	1,489,632	449,359	—
Changes from financing cash flows	(19,652)	(107,650)	(60,077)	—
Changes from operating cash flows	—	—	(16,493)	—
New leases	—	18,828	—	—
Non-cash addition of interest bearing bank borrowings (note 40(a))	384,084	—	—	—
Accrual of **[REDACTED]** expenses	—	—	—	2,079
Deemed contribution from the Controlling Shareholder	—	—	(277,925)	—
Exchange realignment	1,932	8,988	7,646	—
Interest expense	10,386	38,115	—	—
Total	662,578	1,447,913	102,510	2,079

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

40. NOTES TO THE COMBINED STATEMENT OF CASH FLOWS—continued

(c) Total cash outflow for leases

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000 (Unaudited)*	*EUR'000*
Within operating activities	(19,180)	(20,819)	(21,255)	(10,490)	(9,520)
Within financing activities	(202,152)	(217,707)	(222,664)	(106,387)	(107,650)
Total	(221,332)	(238,526)	(243,919)	(116,877)	(117,170)

41. COMMITMENTS

There have been no significant commitments as at 31 December 2023, 2024 and 2025 and 30 June 2026.

42. CONTINGENT LIABILITIES

The Group had the following contingent liabilities at the end of each of the Relevant Periods:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Interest-bearing loans of a related company	1,803	525	—	—

43. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following material transactions with related parties for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026:

Name of related parties	Nature of transactions	2023	2024	2025	Six months ended 30 June 2025	Six months ended 30 June 2026
		EUR'000	*EUR'000*	*EUR'000*	*EUR'000 (Unaudited)*	*EUR'000*
Service income						
New KRH Co., Ltd. (Note1&3)	Resort management, operation, marketing and reservation services	5,372	16,410	17,734	11,645	12,590
Lijiang Fosun Tourism and Cultural Development Co., Ltd. (Note1&3)	Resort management, operation, marketing and reservation services	3,965	2,652	1,894	1,531	1,458
Yuezhou (Taicang) Tourism and Cultural Development Co., Ltd. (Note1&3)	Resort management, operation, marketing and reservation services	369	1,577	772	442	365
Nanjing Fucheng Tourism Development Co., Ltd. (Note1&3)	Resort management, operation, marketing and reservation services	521	1,062	642	352	363
Hoshino Resort Tomamu Corporation (Note1&3)	Resort management, operation, marketing and reservation services	12,914	9,019	—	—	—

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

43. RELATED PARTY TRANSACTIONS—CONTINUED

(a) In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following material transactions with related parties for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026—continued:

Name of related parties	Nature of transactions	2023	2024	2025	Six months ended 30 June 2025	Six months ended 30 June 2026
		EUR'000	*EUR'000*	*EUR'000*	*EUR'000 (Unaudited)*	*EUR'000*
Yuexue (Taicang) Tourism and Cultural Development Co., Ltd. (Note1&3)	Ski park management and operation services	—	—	—	—	628
Yuexue (Taicang) Tourism and Cultural Development Co., Ltd. (Note1&3)	Brand Licensing services	—	—	—	—	399
Yuehao (Taicang) Tourism and Cultural Development Co., Ltd. (Note1&3)	Brand Licensing services	—	—	—	—	148
Lijiang Fosun Tourism and Culture Development Co., Ltd. (Note1&3)	Brand Licensing services	—	—	—	—	86
Hainan Atlantis Commerce and Tourism Development Co., Ltd. (Note1&3)	Travel products and tourism Services	1,045	366	83	37	22
Hainan Fosun International Business Travel Co., Ltd. (Note1&3)	Travel Services	456	—	—	—	—
Pramerica Fosun Life Insurance Co., Ltd. (Note1&3)	Travel Services	1,030	553	55	57	—
Shanghai Fosun High Technology (Group) Co., Ltd. (Note1&3)	Travel Services	437	739	200	2	—
Others (Note1&3)	Travel Services	1,339	200	790	65	8
Yuexue (Taicang) Tourism and Cultural Development Co., Ltd. (Note1&3)	Other related services provided to the related company	—	1,384	911	475	492
Yuehao (Taicang) Tourism and Cultural Development Co., Ltd. (Note1&3)	Other related services provided to the related company	—	584	139	120	66
Lijiang Fosun Tourism Culture Development Co., Ltd. (Note1&3)	Other related services provided to the related company	—	497	274	248	21
Sanya Fuxin Investment Co., Ltd. (Note1&3)	Other related services provided to the related company	—	1,942	—	—	—
Sichuan Tuopai Shede Cultural Tourism Development Co., Ltd. (Note1&2)	Other related services provided to the related company	—	—	721	—	—
Others (Note1&3)	Other related services provided to the related company	93	546	171	83	832
		27,541	37,531	24,386	15,057	17,478

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

43. RELATED PARTY TRANSACTIONS—CONTINUED

(a) In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following material transactions with related parties for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026—continued:

* In June 2024, Hoshino Resort Tomamu Corporation was disposed by the Controlling Shareholder to an independent third party, thus, it was no longer a related party of the group.

Name of related parties	Nature of transactions	2023	2024	2025	Six months ended 30 June 2025	Six months ended 30 June 2026
		EUR'000	*EUR'000*	*EUR'000*	*EUR'000 (Unaudited)*	*EUR'000*
Purchase of Services						
Hainan Atlantis Commerce and Tourism Development Co., Ltd.	Purchase of services from the related company	1,116	118	3,267	133	404
Others (Notes 1&4)	Purchase of services from the related company	122	305	351	18	285
		1,238	423	3.618	151	689

Name of related parties	Nature of transactions	2023	2024	2025	Six months ended 30 June 2025	Six months ended 30 June 2026
		EUR'000	*EUR'000*	*EUR'000*	*EUR'000 (Unaudited)*	*EUR'000*
Other expenses						
Shanghai Fosun Tourism Management Co., Ltd (Notes 1&4)	Rental services provided by the related company	1,408	1,064	759	435	421
Shanghai Yunji Information Technology Co., Ltd. (Notes 1&4)	Talent services provided by the related company	—	347	233	78	—
Chongqing Fuxing Xingwen Enterprise Management Co., Ltd. (Note1&4)	Other related services provided by the related company	—	—	—	—	529
Others (Notes 1&4)	Other related services provided by the related company	187	128	135	56	173
Others (Notes 1&4)	Rental services provided by the related company	52	60	58	30	29
		1,647	1,599	1,185	599	1,152

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

43. RELATED PARTY TRANSACTIONS—CONTINUED

(a) In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following material transactions with related parties for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026—continued:

Name of related parties	Nature of transactions	2023	2024	2025	Six months ended 30 June 2025	Six months ended 30 June 2026
		EUR'000	*EUR'000*	*EUR'000*	*EUR'000 (Unaudited)*	*EUR'000*
Interest income						
New KRH Co., Ltd (Note 1 & 6)		559	561	—	—	—
Guarantees of bank loans						
Holidays Hotels (Note 2 & 7) . .		1,803	525	—	—	—
Interest expense						
Fosun Tourism and Culture Group (HK) Company Limited (Note 1 & 6) . .		5,757	8,420	6,994	4,164	—

Notes:

(1) These are entities under the control of the ultimate controlling shareholder, Mr. Guo Guangchang.

(2) These are joint ventures and associates of the Group or Fosun International Limited.

(3) The directors consider that the revenue from services provided to the related parties were determined based on prices available to third party customers.

(4) The directors consider that the service charge for the services provided by the related parties was determined based on prices available to third party customers.

(5) The directors consider that the purchases were undertaken on commercial terms similar to those offered by unrelated suppliers in the ordinary course of business of the relevant companies.

(6) The directors consider that the applicable interest rates were determined in accordance with the prevailing market borrowing rates.

(7) The guarantee provided to the related companies was free of charge.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

43. RELATED PARTY TRANSACTIONS—CONTINUED

(a) In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following material transactions with related parties for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026—continued:

(b) Compensation of key management personnel of the Group:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000 (Unaudited)*	*EUR'000*
Short term employee benefits	4,762	5,417	8,563	4,238	6,690
Post-employment benefits	1	1	1	1	1
Share-based payment expense	1,707	1,553	1,938	1,407	485
Total compensation paid to key management personnel	6,470	6,971	10,502	5,646	7,176

44. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

As at 31 December 2023

Financial assets

	Financial assets at fair value through profit or loss				
	Mandatorily designated as such	Hedging instruments designated in fair value hedges	Financial assets at amortised cost	Hedging instruments designated in cash flow hedges	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*
Financial assets included in prepayments, other receivables and other assets	—	—	101,631	—	101,631
Trade receivables	—	—	58,072	—	58,072
Financial assets at fair value through profit or loss	9,052	—	—	—	9,052
Derivative financial instruments	—	1,980	—	7,314	9,294
Due from related companies	—	—	158,379	—	158,379
Cash and bank balances	—	—	148,938	—	148,938
Total	9,052	1,980	467,020	7,314	485,366

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

44. FINANCIAL INSTRUMENTS BY CATEGORY—continued

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows—continued:

Financial liabilities

	Financial liabilities at fair value through profit or loss				
	Designated as such upon initial recognition	Hedging instruments designated in fair value hedges	Financial liabilities at amortised cost	Hedging instruments designated in cash flow hedges	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*
Interest-bearing bank and other borrowings	—	—	423,631	—	423,631
Trade payables	—	—	177,196	—	177,196
Derivative financial instruments	—	973	—	4,220	5,193
Financial liabilities included in accrued liabilities and other payables	40,047	—	8,820	—	48,867
Due to related companies	—	—	411,768	—	411,768
Total	40,047	973	1,021,415	4,220	1,066,655

As at 31 December 2024

Financial assets

	Financial assets at fair value through profit or loss				
	Mandatorily designated as such	Hedging instruments designated in fair value hedges	Financial assets at amortised cost	Hedging instruments designated in cash flow hedges	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*
Financial assets included in prepayments, other receivables and other assets	—	—	114,381	—	114,381
Trade receivables	—	—	51,067	—	51,067
Financial assets at fair value through profit or loss	9,309	—	—	—	9,309
Derivative financial instruments	—	641	—	6,281	6,922
Due from related companies	—	—	124,971	—	124,971
Cash and bank balances	—	—	135,137	—	135,137
Total	9,309	641	425,556	6,281	441,787

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

44. FINANCIAL INSTRUMENTS BY CATEGORY—continued

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows—continued:

Financial liabilities

	Hedging instruments designated in fair value hedges	Financial liabilities at amortised cost	Hedging instruments designated in cash flow hedges	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Interest-bearing bank and other borrowings	—	331,675	—	331,675
Trade payables	—	180,295	—	180,295
Derivative financial instruments	2,169	—	906	3,075
Financial liabilities included in accrued liabilities and other payables	—	12,144	—	12,144
Due to related companies	—	455,897	—	455,897
Total	2,169	980,011	906	983,086

As at 31 December 2025

Financial assets

	Financial assets at fair value through profit or loss				
	Mandatorily designated as such	Hedging instruments designated in fair value hedges	Financial assets at amortised cost	Hedging instruments designated in cash flow hedges	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*
Financial assets included in prepayments, other receivables and other assets	—	—	134,586	—	134,586
Trade receivables	—	—	38,095	—	38,095
Financial assets at fair value through profit or loss	9,613	—	—	—	9,613
Derivative financial instruments	—	2,785	—	1,318	4,103
Due from related companies	—	—	173,209	—	173,209
Cash and bank balances	—	—	145,255	—	145,255
Total	9,613	2,785	491,145	1,318	504,861

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

44. FINANCIAL INSTRUMENTS BY CATEGORY—continued

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows—continued:

Financial liabilities

	Hedging instruments designated in fair value hedges	Financial liabilities at amortised cost	Hedging instruments designated in cash flow hedges	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Interest-bearing bank and other borrowings	—	285,828	—	285,828
Trade payables	—	169,540	—	169,540
Derivative financial instruments	323	—	4,515	4,838
Financial liabilities included in accrued liabilities and other payables	—	14,413	—	14,413
Due to related companies	—	449,359	—	449,359
Total	323	919,140	4,515	923,978

As at 30 June 2026

Financial assets

	Financial assets at fair value through profit or loss				
	Mandatorily designated as such	Hedging instruments designated in fair value hedges	Financial assets at amortised cost	Hedging instruments designated in cash flow hedges	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*
Financial assets included in prepayments, other receivables and other assets	—	—	135,866	—	135,866
Trade receivables	—	—	31,392	—	31,392
Financial assets at fair value through profit or loss	9,746	—	—	—	9,746
Derivative financial instruments	—	563	—	1,707	2,270
Due from related companies	—	—	110,346	—	110,346
Cash and bank balances	—	—	139,155	—	139,155
Total	9,746	563	416,759	1,707	428,775

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

44. FINANCIAL INSTRUMENTS BY CATEGORY—continued

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows—continued:

Financial liabilities

	Hedging instruments designated in fair value hedges	Financial liabilities at amortised cost	Hedging instruments designated in cash flow hedges	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Interest-bearing bank and other borrowings	—	662,578	—	662,578
Trade payables	—	149,021	—	149,021
Derivative financial instruments	453	—	1,571	2,024
Financial liabilities included in accrued liabilities and other payables	—	9,189	—	9,189
Due to related companies	—	102,510	—	102,510
Total	453	923,298	1,571	925,322

45. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	As at 31 December 2023		As at 31 December 2024		As at 31 December 2025		As at 30 June 2026	
	Carrying amounts	Fair values	Carrying amounts	Fair values	Carrying amounts	Fair values	Carrying amounts	Fair values
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*
Financial assets								
Financial assets at fair value through profit or loss	9,052	9,052	9,309	9,309	9,613	9,613	9,746	9,746
Financial assets included in prepayments, other receivables and other assets (non-current portion)	40,817	40,010	41,773	41,644	44,256	41,362	44,462	43,222
Due from related companies (non-current portion)	11,363	11,363	758	758	766	766	19	19
Derivative financial instruments	9,294	9,294	6,922	6,922	4,103	4,103	2,270	2,270
Total	70,526	69,719	58,762	58,633	58,738	55,844	56,497	55,257

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

45. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS—continued

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	As at 31 December 2023		As at 31 December 2024		As at 31 December 2025		As at 30 June 2026	
	Carrying amounts	Fair values	Carrying amounts	Fair values	Carrying amounts	Fair values	Carrying amounts	Fair values
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*
Financial liabilities								
Interest-bearing bank and other borrowings (non-current portion)	209,568	214,249	231,111	233,142	184,613	186,144	568,919	570,204
Financial liabilities included in accrued liabilities and other payables	40,047	40,047	—	—	—	—	—	—
Derivative financial instruments	5,193	5,193	3,075	3,075	4,838	4,838	2,024	2,024
Total	254,808	259,489	234,186	236,217	189,451	190,982	570,943	572,228

Management has assessed that the fair values of cash and bank balance, trade receivables, the current portion of financial assets included in prepayments, other receivables and other assets, the current portion of amounts due from related companies, trade payables, financial liabilities included in accrued liabilities and other payables other than put options granted to non-controlling shareholders of a subsidiary, the current portion of interest-bearing bank and other borrowings, and the current portion of amounts due to related companies approximate to their and carrying amounts largely due to the short-term maturities of these instruments.

The Group's corporate finance team is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The corporate finance team reports directly to the chief financial officer. At the end of each of the Relevant Periods, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amounts at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of interest-bearing bank and other borrowings, financial liabilities included in other long term payables and the non-current portion of amounts due from related companies have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for the non-current portion of interest-bearing bank and other borrowings as at 31 December 2023, 2024 and 2025 and 30 June 2026 was assessed to be insignificant.

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with high credit ratings. Derivative financial instruments include forward currency contracts, foreign currency swaps, interest rate swaps, and interest rate options. As at

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

45. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS—continued

31 December 2023, 2024 and 2025 and 30 June 2026, the fair values of the forward currency contracts, foreign currency swaps, interest rate swaps, and interest rate options were measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties and interest rate curves. The carrying amounts of the forward currency contracts, foreign currency swaps, interest rate swaps, and interest rate options are the same as their fair values.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instruments are included in Level 2. If one or more of the significant inputs are not based on observable market data, the instruments are included in Level 3.

For certain unlisted equity securities, the Group adopts the valuation techniques to determine the fair value. Valuation techniques include the market comparison approach, etc. The fair value measurement of these financial instruments may involve unobservable inputs such as liquidity discount. The Group periodically reviews all significant unobservable inputs and valuation adjustments used to measure the fair values of financial assets in Level 3.

In 2023, the significant unobservable valuation input for the put options granted to non-controlling shareholders of a subsidiary included in accrued liabilities and other payables of EUR40,047,000 is EBITDA of CMH for 2023. The increase/(decrease) in EBITDA of CMH will lead to an increase/(decrease) in the liability of put options granted to non-controlling shareholders of a subsidiary included in accrued liabilities and other payables.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Financial assets at fair value through profit or loss	—	—	9,052	9,052
Derivative financial instruments	—	9,294	—	9,294
Total	—	9,294	9,052	18,346

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

Fair value hierarchy—continued

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments—continued:

Assets measured at fair value—continued:

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Financial assets at fair value through profit or loss	—	—	9,309	9,309
Derivative financial instruments	—	6,922	—	6,922
Total	—	6,922	9,309	16,231

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Financial assets at fair value through profit or loss	—	—	9,613	9,613
Derivative financial instruments	—	4,103	—	4,103
Total	—	4,103	9,613	13,716

As at 30 June 2026

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Financial assets at fair value through profit or loss	—	—	9,746	9,746
Derivative financial instruments	—	2,270	—	2,270
Total	—	2,270	9,746	12,016

Assets for which fair values are disclosed:

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Due from related companies (non-current portion)	—	11,363	—	11,363
Financial assets included in prepayments, other receivables and other assets (non-current portion)	—	40,010	—	40,010
Total	—	51,373	—	51,373

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

Fair value hierarchy—continued

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments—continued:

Assets for which fair values are disclosed—continued:

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Due from related companies (non-current portion)	—	758	—	758
Financial assets included in prepayments, other receivables and other assets (non-current portion)	—	41,644	—	41,644
Total	—	42,402	—	42,402

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Due from related companies (non-current portion)	—	766	—	766
Financial assets included in prepayments, other receivables and other assets (non-current portion	—	41,362	—	41,362
Total	—	42,128	—	42,128

As at 30 June 2026

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Due from related companies (non-current portion)	—	19	—	19
Financial assets included in prepayments, other receivables and other assets (non-current portion	—	43,222	—	43,222
Total	—	43,241	—	43,241

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

Fair value hierarchy—continued

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments—continued:

Liabilities measured at fair value:

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Put options granted to non-controlling shareholders of a subsidiary included in accrued liabilities and other payables	—	—	40,047	40,047
Derivative financial instruments	—	5,193	—	5,193
Total	—	5,193	40,047	45,240

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Derivative financial instruments	—	3,075	—	3,075

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Derivative financial instruments	—	4,838	—	4,838

As at 30 June 2026

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Derivative financial instruments	—	2,024	—	2,024

Liabilities for which fair values are disclosed:

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Interest-bearing bank and other borrowings (non-current portion)	—	214,249	—	214,249

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

Fair value hierarchy—continued

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments—continued:

Liabilities for which fair values are disclosed—continued:

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Interest-bearing bank and other borrowings (non-current portion)	—	233,142	—	233,142

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Interest-bearing bank and other borrowings (non-current portion)	—	186,144	—	186,144

As at 30 June 2026

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Interest-bearing bank and other borrowings (non-current portion)	—	570,204	—	570,204

The movements in fair value measurements in Level 3 during each Relevant Periods are as follows:

Assets measured at fair value:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
At beginning of year/period	8,707	9,052	9,309	9,613
Change in fair value	309	308	307	154
Exchange realignment	36	(51)	(3)	(21)
At end of year/period	9,052	9,309	9,613	9,746

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

Fair value hierarchy—continued

The movements in fair value measurements in Level 3 during each Relevant Periods are as follows—continued:

Liabilities measured at fair value:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
At beginning of year/period	23,328	40,047	—	—
Increase	16,719	—		
Decrease	—	(40,047)	—	—
At end of year/period	40,047	—	—	—

During the Relevant Periods and the six months ended 30 June 2025, there were no transfers of fair value measurements between Level 2 and Level 3 for both financial assets and financial liabilities.

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, other than derivatives, comprise interest-bearing bank and other borrowings, lease liabilities, financial liabilities included in accrued liabilities and other payables, amounts due from/to related companies, financial assets included in prepayments, other receivables and other assets, financial assets measured at fair value, cash and bank balances, and pledged deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The Group also enters into derivative transactions, including principally interest rate swaps, foreign currency forward contracts, foreign currency swaps and interest rate options. The purpose is to manage the interest rate and currency risks arising from the Group's operations and its sources of finance.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors' reviews and agrees policies for managing each of these risks and they are summarised below. The Group's accounting policies in relation to derivatives are set out in note 2.4 to the Historical Financial Information.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. As at 31 December 2023, 2024 and 2025 and 30 June 2026, approximately 12%, 20%, 24% and 10%, respectively, of the Group's interest-bearing borrowings bore interest at fixed rates. The Group also carried out hedging activities by entering into interest rate swaps on certain variable rate debts, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES—continued

Interest rate risk—continued

The following table demonstrates the sensitivity to a reasonably possible change in interest rate after hedging, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings).

After hedging

	Increase/(decrease) in basis points	(Decrease)/Increase in profit before tax
		EUR'000
For the year ended 31 December 2023	25	(395)
	(25)	395
For the year ended 31 December 2024	25	(428)
	(25)	428
For the year ended 31 December 2025	25	(310)
	(25)	310
For the six months ended 30 June 2026	25	(603)
	(25)	603

Foreign currency risk

The Group has transactional currency exposures. These exposures arise from sales or purchases by operating units and investing and financing activities by investment holding units in currencies other than the units' functional currencies. The major subsidiaries exposed to the above currency risks used EUR or CAD and BRL as their functional currencies. As more detailed disclosed in note 28, the Group also uses foreign currency forward contracts and foreign currency swaps to hedge the currency risk.

The following table demonstrates the sensitivity at the end of each year to a reasonably possible change in the exchange rates of major currencies, with all other variables held constant, of the Group's loss before tax.

	Increase/(decrease) in foreign currency rate	Increase/(decrease) in profit before tax
	%	*EUR'000*
As at 31 December 2023		
If EUR weakens against BRL	5	1,988
If EUR strengthens against BRL	(5)	(1,988)
If EUR weakens against CAD	5	1,564
If EUR strengthens against CAD	(5)	(1,564)
As at 31 December 2024		
If EUR weakens against BRL	5	2,193
If EUR strengthens against BRL	(5)	(2,193)
If EUR weakens against CAD	5	1,384
If EUR strengthens against CAD	(5)	(1,384)
As at 31 December 2025		
If EUR weakens against BRL	5	1,799
If EUR strengthens against BRL	(5)	(1,799)
If EUR weakens against CAD	5	1,509
If EUR strengthens against CAD	(5)	(1,509)

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES—continued

Foreign currency risk—continued

	Increase/(decrease) in foreign currency rate	Increase/(decrease) in profit before tax
	%	*EUR'000*
As at 30 June 2026		
If EUR weakens against BRL	5	711
If EUR strengthens against BRL	(5)	(711)
If EUR weakens against CAD	5	572
If EUR strengthens against CAD	(5)	(572)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Maximum exposure and year-end staging

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification. The amounts presented are gross carrying amounts for financial assets.

31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*
Trade receivables*	—	—	—	64,040	64,040
Contract assets*	—	—	—	500	500
Financial assets included in prepayments, other receivables and other assets—Normal**	101,869	—	—	—	101,869
Cash and bank balances—Not yet past due	148,938	—	—	—	148,938
Due from related companies—Not yet past due	158,379	—	—	—	158,379
Total	409,186	—	—	64,540	473,726

31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*
Trade receivables*	—	—	—	53,790	53,790
Financial assets included in prepayments, other receivables and other assets—Normal**	114,511	—	—	—	114,511
Cash and bank balances—Not yet past due	135,137	—	—	—	135,137
Due from related companies—Not yet past due	124,971	—	—	—	124,971
Total	374,619	—	—	53,790	428,409

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES—continued

Credit risk—continued

31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*
Trade receivables*	—	—	—	41,004	41,004
Financial assets included in prepayments, other receivables and other assets—Normal**	135,030	—	—	—	135,030
Cash and bank balances—Not yet past due	145,255	—	—	—	145,255
Due from related companies—Not yet past due	173,209	—	—	—	173,209
Total	453,494	—	—	41,004	494,498

Credit risk—continued

30 June 2026

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*
Trade receivables*	—	—	—	34,375	34,375
Financial assets included in prepayments, other receivables and other assets—Normal**	136,161	—	—	—	136,161
Cash and bank balances—Not yet past due	139,155	—	—	—	139,155
Due from related companies—Not yet past due	110,346	—	—	—	110,346
Total	385,662	—	—	34,375	420,037

* For trade receivables and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 27 to the Historical Financial Information.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank and other borrowings, amounts due to related companies and lease liabilities. As at 31 December 2023, 2024 and 2025 and 30 June 2026, 35%, 32%, 33% and 32% of the Group's debts would mature in less than one year based on the carrying value of borrowings reflected in the Historical Financial Information.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES—continued

Liquidity risk—continued

The maturity profile of the Group's financial liabilities at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

31 December 2023

	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*
Interest-bearing bank and other borrowings	19,032	195,031	171,050	44,000	429,113
Trade payables	—	177,196	—	—	177,196
Financial liabilities included in accrued liabilities and other payables	48,867	—	—	—	48,867
Due to related companies	411,768	—	—	—	411,768
Lease liabilities	—	207,950	703,366	1,047,291	1,958,607
Derivative financial instruments	—	5,193	—	—	5,193
Total	479,667	585,370	874,416	1,091,291	3,030,744

Liquidity risk—continued

31 December 2024

	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*
Interest-bearing bank and other borrowings	31,726	68,838	233,142	—	333,706
Trade payables	—	180,295	—	—	180,295
Financial liabilities included in accrued liabilities and other payables	12,144	—	—	—	12,144
Due to related companies	455,897	—	—	—	455,897
Lease liabilities	—	220,931	762,731	1,088,507	2,072,169
Derivative financial instruments	—	3,075	—	—	3,075
Total	499,767	473,139	995,873	1,088,507	3,057,286

31 December 2025

	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*
Interest-bearing bank and other borrowings	30,222	70,993	186,144	—	287,359
Trade payables	—	169,540	—	—	169,540
Financial liabilities included in accrued liabilities and other payables	14,413	—	—	—	14,413
Due to related companies	449,359	—	—	—	449,359
Lease liabilities	—	221,747	778,701	973,286	1,973,734
Derivative financial instruments	—	4,838	—	—	4,838
Total	493,994	467,118	964,845	973,286	2,899,243

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES—continued

30 June 2026

	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*
Interest-bearing bank and other borrowings	33,788	332,219	297,613	—	663,620
Trade payables	—	149,021	—	—	149,021
Financial liabilities included in accrued liabilities and other payables	9,189	—	—	—	9,189
Due to related companies	102,510	—	—	—	102,510
Lease liabilities	—	221,267	788,203	898,561	1,908,031
Derivative financial instruments	—	2,024	—	—	2,024
Total	145,487	704,531	1,085,816	898,561	2,834,395

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustment to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or process for managing capital for each of the Relevant Periods.

The Group monitors capital using a gearing ratio, which is net indebtedness divided by the total assets. Net indebtedness includes interest-bearing bank and other borrowings and lease liabilities less cash and bank balances. The gearing ratio as at the end of each of the Relevant Periods was as follows:

	31 December 2023	31 December 2024	31 December 2025	30 June 2026
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Interest-bearing bank and other borrowings	423,631	331,675	285,828	662,578
Lease liabilities	1,485,451	1,540,181	1,489,632	1,447,913
Less: Cash and bank balances	(148,938)	(135,137)	(145,255)	(139,155)
Net indebtedness	1,760,144	1,736,719	1,630,205	1,971,336
Total assets	3,256,672	3,234,384	3,190,899	3,073,807
Gearing ratio	54%	54%	51%	64%

47. EVENTS AFTER THE REPORTING PERIOD

Except as disclosed in elsewhere in this Document, there have been no other significant events since the end of the Relevant Period.

48. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 30 June 2026.