Fosun Tourism Group
复星旅游文化集团

(a company incorporated under the laws of the Cayman Islands with limited liability)

(Stock Code: 1992)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

FINANCIAL SUMMARY

	For the years ended 31 December	
	2019	2018
	RMB'000	*RMB'000*
Revenue	**17,337,169**	16,269,819
Resort and destination operations	**11,260,192**	10,426,589
Tourism-related property sales and construction services	**3,493,780**	3,443,894
Tourism and leisure services and solutions	**2,583,197**	2,399,336
Gross profit	**5,538,725**	5,276,048
Operating profit	**2,071,225**	1,741,835
Profit before income tax	**1,274,740**	1,293,388
Profit for the year	**576,293**	389,121
Profit attributable to equity holders of the Company	**608,722**	308,441
Adjusted EBITDA	**3,729,362**	2,073,038
Adjusted net profit	**644,440**	579,677
Earnings per share — basic (in RMB)	**0.49**	0.31
Earnings per share — diluted (in RMB)	**0.49**	0.30

LETTER TO SHAREHOLDERS

In 2019, the Global tourism industry was impacted by the unstable commercial and geopolitical tensions, weak European economy and Brexit as expected. The overall growth rate slowed down. Nevertheless, we achieved a continuous and high-quality growth together with strong financial and operational results. The business volume of tourism operation increased by 8.9% year-on-year in 2019 to RMB14,595.0 million. Adjusted EBITDA increased by 79.9%[1] from RMB2,073.0 million in 2018 to RMB3,729.4[1] million in 2019, with adjusted EBITDA margin increased by 8.8 percentage points to 21.5%[1]. Profit attributable to equity holders increased from RMB308.4 million in 2018 to RMB608.7[1] million in 2019, representing 97.4%[1] growth. In the past three years, the CAGR of our revenue was 21% and adjusted EBITDA was 81% on like-for-like basis, respectively. Profit attributable to equity holders has been turned around since 2018 and doubled year-on-year in 2019.

The Board proposed to declare a final dividend of HKD0.02 per ordinary share for the year ended 31 December 2019. Together with the interim dividend, the total dividends for the year are HKD0.09.

As the global leader in the leisure tourism industry, we have two long-established well-known global brands — Club Med and Thomas Cook. Facing the huge China market, we stand in front of a structural opportunity to build up a popular product just like Atlantis Sanya. We expect the overseas tourism market will be affected by public health issues, politics and economy, which will speed up the industry decentralization. On the other hand, with the emergence of new middle class and millennials consumer groups globally, stronger desire for consumption, more diversified consumption needs, and more advanced consumption habits are shown, which evoke the evolution of tourism industry at an unprecedented speed.

In the rapid evolution of the tourism industry, we believe our competitive edge is from consumer orientation, globalization and innovative thinking. We bring up our brand new leisure lifestyle proposition of “FOLIDAY” to the world. This genre of lifestyle breeds new business model, which requires the tourism corporations to take a closer look to consumers’ needs and to emphasis on the direct connection of consumers and products. That makes a corporation to form a perfect system in which its products will be self-iterated based on information from consumers. Our FOLIDAY ecosystem is exactly that perfect system.

[1] We adopted IFRS 16 Leases on 1 January 2019 which capitalizes the present value of the remaining lease payment as right-of-use assets and calculate depreciation instead of recording lease expenses in current period. Details of IFRS 16 adoption and impact are set out in note 1.2 to financial statements. With the adoption of IFRS 16, for the year ended 31 December 2019, gross profit increased by RMB250.9 million, adjusted EBITDA increased by RMB1,294.6 million, and profit attributable to equity holders decreased by approximately RMB155.2 million, respectively. Excluding the adoption impact of IFRS 16, adjusted EBITDA margin leveraged to 14.0%.

In 2019, the development of tourism operation, our core business, boosted a rapid and sustainable profit growth. Our resort business of Club Med has demonstrated a dynamic growth in 2019, with its business volume increased by 5.2% year-on-year to RMB13.2 billion. Due to our continuous implementation of product upscaling, globalization and implementation of Happy Digital, the capacities of our resorts increased by 2.4% year-on-year, of which 85.0% is from 4&5 Trident resorts. Although political unrest and instability has been continued in many regions across the world, our globalization strategy effectively mitigated the impact of operational risks of a single market and gave us a development opportunity in a high-growing market. In the past two year, we achieved growth in business volume in our three major markets, especially the growth in Brazil, the United Kingdom and Australia markets.

In November 2019, our resorts business was enriched in term of brand portfolio and types of accommodation through the acquisition of Casa Cook, and Cook's Club brands. The brand-new design style, music and beach elements will attract more sophisticated customers with originality and younger generation groups. The brands will be rapidly expanded in light-assets mode as to ensure our leading position in global resort industry.

Our first project of tourism destinations — Atlantis Sanya recorded an encouraging performance in its first year of operation, demonstrating the advantage of our upscale strategy in China tourism market. Its business volume reached RMB1,312.1 million, representing a 74.2% growth compared with that in 2018. Occupancy rate and number of visits reached a record high again. In 2019, average daily room rate increased by 13.1% year-on-year. Meanwhile, occupancy rate increased from 58.0% in 2018 to 68.5% in 2019 and number of visits reached around 5.2 million.

Tourism operation is always our business core. Saleable residential vacation units, as an innovative form of tourism product, bring us healthy cash turnover and abundant tourism operation resources. We delivered 204 residential vacation units of Tang Residence in 2019. As of the end of 2019, 235 apartments and 10 villas were managed by us as accommodation facilities under Albion brand.

In early 2019, we started the construction of Lijiang FOLIDAY Town and Taicang FOLIDAY Town tourism destination projects. In November 2019, we launched the self-owned "FOLIDAY Town" (復遊城) brand of tourism destinations. FOLIDAY Town is the offline setting of the FOLIDAY lifestyle we carried out in order to build an international lifestyle venue suitable for all ages, settings and business formats. FOLIDAY Town has clearly raised the brand concept: "To Love, To Live, Go to FOLIDAY Town", and built the tourism destination with a combination of leisure tourism and new lifestyle, which aims to better realize the vision of "Bring more happiness to families" proposed by the company.

Our business in services and solutions in various tourism and leisure settings achieved rapid development. In 2019, two Miniversity stores in shopping malls commenced operations in Shanghai. Moreover, the resident show C started performance at Atlantis Sanya in Spring festival in 2019. Our exclusive membership loyalty program, Foryou club has accumulated more than 5 million members by the end of 2019. Business volume of our FOLIDAY distribution platform increased by 123.0% in 2019.

In November 2019, we acquired the brand name of Thomas Cook, one of the leading travel group with 179 years of history. With this centennial and widely-recognized brand, we will integrate tourism distribution business into the "Thomas Cook Lifestyle Platform". This platform will directly serve our customers and develop products combining travel, holiday and a series of lifestyle services. We will launch a united lifestyle platform under Thomas Cook brand internationally in the summer of 2020.

At the beginning of 2020, the COVID-19 outbreak has become the biggest "Black Swan" event, which will inevitably cause short term negative impact on global tourism industry. However, we believe that the demand of the global tourism industry will continue to rise in the long run. When the epidemic ends, there will be more opportunities for outstanding business models. As China's GDP per capita reached USD10,000 in 2019, consumption upgrade will become a long-term trend and will not be reversed by the short-term epidemic. On the contrary, the trend is expected to be strengthened after the epidemic crisis and become the backbone of the development of the cultural tourism industry.

On the other hand, the epidemic allows us to have a better look at the three major opportunities in the future tourism industry. First, the transformation and upgrade of the tourism industry will accelerate, and the transformation from sightseeing to leisure tourism will further accelerate as well. The FOLIDAY lifestyle that we proposed will be more recognized and well-loved. Second, the industry will undergo a round of reshuffle and enterprises with solid foundation will have more opportunities in mergers and acquisitions. Third, business intelligence and online operation will be more widely used in tourism companies. Breaking the physical boundary of office and home, our lifestyle proposition "Everyday is FOLIDAY" will become a reality, allowing our customers to enjoy both vacation and work in the tourism and leisure settings that we provide. The epidemic will promote the changing dynamics of home office, which will gradually become quite common in some industries. This perfectly matches our FOLIDAY lifestyle proposition.

COVID-19 is apparently an internationally public health crisis but not a business model crisis. Thanks to our advantages in product competitiveness and brand awareness, family positioning, globalization of our operations, and FOLIDAY ecosystem, the long-term foundation of our operations have not been impacted, our leading business model will help us overcome the crisis and seize more opportunities after the crisis. At the time of the epidemic, we reasonably controlled the operational costs and maintained a healthy financial level. I will work with my colleague to strive to regard this uncertain environment as more an opportunity rather than simply a crisis. We will continue to seek chance and mobility for further growth.

Finally, I would like to extend my gratitude to our management team and employees for their contributions, commitment, to thank our Board for their effort and support. We will continue to stick to our vision of "bring more happiness to global families", strive to promote the brand new FOLIDAY lifestyle, make "Everyday is FOLIDAY" come true as early as we can, and reward our shareholders for their confidence in the Company with good returns.

Sincerely
Qian Jiannong
Chairman

17 March 2020

BUSINESS OVERVIEW

Our Group is one of the leading leisure-focused integrated tourism groups and the largest leisure tourism resorts group worldwide, in terms of revenue in 2019, according to Frost & Sullivan Report. Our vision is to bring greater happiness to global families. Through our lifestyle proposition, "Everyday is FOLIDAY", we seek to infuse concepts of tourism and leisure into everyday living, and provide tailor-made, one-stop solutions through our FOLIDAY global ecosystem. In 2019, we have further strengthened the brand of our resorts and hotels globally and promoted the attractiveness and distinctiveness of our new tourism destinations with innovative and user-friendly products. We have further enhanced our ecosystem by offering one-stop products and solutions to meet the evolving preference of family customers and development synergies within the ecosystem. In addition, we continue to accelerate the development of customer-focused digital solutions through digital marketing and service experience.

Our business volume[1] of resorts and destination operations and tourism and leisure services and solutions (collectively as "tourism operation"), at constant exchange rate, increased by RMB1,195.9 million from RMB13,399.1 million for the year ended 31 December 2018 to RMB14,595.0 million for the year ended 31 December 2019, representing a year-on-year increase of 8.9%. Our revenues increased by 6.6% from RMB16,269.8 million to RMB17,337.2 million on a year-over-year basis. Gross profit increased from RMB5,276.0 million for the year ended 31 December 2018 to RMB5,538.7[2] million for the year ended 31 December 2019. Adjusted EBITDA increased from RMB2,073.0 million for the year ended 31 December 2018 to RMB3,729.4[2] million for the year ended 31 December 2019 with adjusted EBITDA margin leveraged to 21.5%[2]. Profit attributable to equity holders increased from RMB308.4 million for the year ended 31 December 2018 to RMB608.7[2] million for the year ended 31 December 2019 due to significant contribution of profit attributable from tourism operation.

1 Business Volume represents the aggregate sales of our resort service, tourism destination operation and other tourism-related services and solutions, regardless of whether the resort is owned, leased or managed.

2 We adopted IFRS 16 Leases on 1 January 2019 which capitalizes the present value of the remaining lease payment as right-of-use assets and calculate depreciation instead of recording lease expenses in current period. Details of IFRS 16 adoption and impact are set out in note 1.2 to financial statements. With the adoption of IFRS 16, for the year ended 31 December 2019, gross profit increased by RMB250.9 million, adjusted EBITDA increased by RMB1,294.6 million, and profit attributable to equity holders decreased by approximately RMB155.2 million, respectively. Excluding the adoption impact of IFRS 16, adjusted EBITDA margin leveraged to 14.0%.

RESORTS

Club Med

Club Med, headquartered in France and founded in 1950, is a world-renowned family-centric all-inclusive leisure and vacation service provider. As of 31 December 2019, we have sales and marketing operations in more than 40 countries and regions across six continents, and operate 66 resorts, of which 38 resorts (including a cruise ship) are in EMEA, 12 resorts are in the Americas and 16 resorts are in the Asia Pacific region (including 7 resorts in China). In terms of business models, 15 resorts are under ownership model, 41 resorts are under lease model, and 10 resorts are under management contract model.

Our resort business has demonstrated a dynamic growth in 2019. In 2019, the business volume of Club Med reached RMB13,205.6 million at constant exchange rate, increased by 5.2% on year-over-year basis. The business volume of EMEA, the Americas and Asia pacific increased by 4.1%, 9.9% and 4.4% in 2019, respectively, compared with the same period of last year.

Certain key information with respect to our resort business is set out below:

	For the years ended 31 December	
	2019[1]	2018[1]
Business Volume (RMB Millions)	**13,205.6**	12,557.3
Capacity of Resorts (in thousands)	**12,324**	12,031
Occupancy Rate by Bed	**64.4%**	66.0%
Average Daily Bed Rate (RMB)	**1,330.1**	1,259.6
Revenue per Bed (RMB)	**862.9**	835.1

The dynamic growth was driven by the increase in Average Daily Bed Rate by 5.6% on a like-for-like basis as a result of popularity on the winter ski products and the increased capacities of 4&5 Trident resorts. Occupancy Rate by Bed was slightly impacted by the capacities ramp-up of newly opened resorts since 2018. The recurring EBITDA of resort operation increased to RMB2,363.5[2] million for 2019, compared to RMB987.3 million for 2018. We have continuously focused on the below initiatives to expand our resort business:

1 at constant exchange rate

2 Please refer to the note on page 24–26 of the Management Discussion & Analysis section for detail.

Upscale — Enhancing upscale and premium offerings: We newly opened four resorts in 2019, including Club Med Joyview Resort in Yanqing, Beijing, China, Club Med l'Alpe d'Huez in France, the chalet-apartment of Grand Massif Samoëns Morillon in France, and the Exclusive Collection resort — Miches Playa Esmeralda in Dominican Republic, all of which are 4&5 Trident. Meanwhile, four resorts were reopened in 2019 after renovation and transformation, and two resorts were under renovation and extension by the end of 2019 and will be reopened in 2020. Five resorts with limited capacities were closed under lease agreements in 2019. The capacities with 4&5 Trident increased from 80.1% as of 31 December 2018 to 85.0% as of 31 December 2019.

The following table sets out the Capacity of Resorts by type of resorts:

	For the years ended 31 December	
Type of resorts	**2019**	2018
	'000	*'000*
Capacity		
Mountain	**2,264**	2,254
Sun	**9,338**	9,268
Club Med Joyview	**722**	509
Total	**12,324**	12,031
4&5 Trident %	**85.0%**	80.1%

Our capital expenditure of resort business incurred in 2019 was approximately RMB686.7 million with positive free cash flow.

Globalization — Balancing markets and destinations to achieve sustainable growth and to diversify regional operational risks: Club Med achieved a 5.2% increase in business volume, business volume outside France achieved a growth of 7.4% on like-for-like basis. Globalization effectively diversifies the impact of regional risks on overall operations. In 2019, we were able to outperform most local tourism markets to achieve growth in business volume in major countries across all three regions. Especially in Brazil, the United Kingdom, and Australia, for two consecutive years, we outperformed the market in terms of booking, and the 2-year compounded growth rates of the business volume reached 15.0%, 16.8%, and 22.5%, respectively. The number of customers reached approximately 1,488,000, with a year-on-year increase of 3.2%. Customers from Greater China increased from approximately 243,000 in 2018 to 282,000 in 2019, maintaining a consecutive growth with 10-year compounded growth rate of 19.0%. In addition, our resorts are more geographically dispersed globally in various tourism locations. The following table sets out the business volume and capacities of resorts by geographical regions for the periods indicated:

	For the years ended 31 December	
	2019	2018[1]
Business Volume by customer booking locations (RMB Millions)		
EMEA	**8,405.0**	8,073.1
Americas	**2,408.0**	2,191.9
Asia Pacific	**2,392.6**	2,292.3
Total	**13,205.6**	12,557.3
Capacities of resorts by locations		
EMEA	**5,628**	5,467
Americas	**3,363**	3,438
Asia Pacific	**3,333**	3,126
Total	**12,324**	12,031

Happy Digital & C2M Strategy — Digital on customer emotion amplification and operation efficiency: During 2019, we optimized 35 Club Med websites in 18 languages and extended new online sales channels and platforms, which leveraged website conversion rate on mobile by 24%. Direct sales proportion through the sales network of Club Med reached 65.0% in 2019. In 2019, we launched a new Mobile APP program "My Happy Days", featuring resort and activity guidance, online check-ins, activities reservations and social functions. In addition, we deployed an in-house developed experience "Amazing Family", proposing unique parents-kids bonding activities in 22 resorts worldwide. We have extensively deployed digital whistband, new cashless payment mobile applications, easy check-in and check-out, in-resort activities guides and other innovative solutions.

1 At constant exchange rate

Ski Ecosystem — Leverage our strength as a top ski resort provider: We are the largest ski resort provider in Europe in terms of number of resorts in 2019. We operate 17 mountain resorts in Europe and four in Asia. We opened 2 new ski resorts in the second half of 2019, which are Club Med l'Alpe d'Huez in French Alps and the Chalet-apartment of Grand Massif Samoëns Morillon in France. Our Average Daily Bed Rate of mountain resorts increased by 8.2% in 2019 compared to the same period in 2018. Our Mountain resort Arcs Panorama, newly opened in December 2018, received great success in its first year with business volume amounted to RMB338.1 million in 2019. We plan to further leverage our strength not only in Alps region, but also in other fast growing ski areas and massive potential customer markets, we aim to open more mountain resorts and provide more related services and solutions under our strong brands. Club Med is also collaborating with one of the largest global ski academies, Ecole du Ski Francais (ESF), to deliver advanced ski programs to Chinese winter sports enthusiasts. In 2019, Club Med and ESF has newly opened 3 schools, located in Taiwoo Ski Town, Chongli in Hebei Province, Shijinglong Ski Resort in Yanqing Beijing, and Nantian Lake Ski Resort in Chongqing. As a leading ski resort provider, we have collaborations with several national ski teams. Since 2018, China's national Mountain Ski Team, Speed Skating Team and Sled Team have been training in Club Med Val D'Isere, Club Med Val Thorens and Club Med Valmorel.

We have strong pipelines to open new resorts in the future, including a resort on the Sainte Anne Island, Seychelles, a mountain resort La Rosiere in French Alps, a seaside resort in Marbella, Spain, and a mountain resort in Quebec Charlevoix, Canada, which will open in 2020 and thereafter. In addition, we have also signed several contracts to open new resorts in China in the next few years, including Club Med and Club Med Joyview Resorts in Lijiang and Taicang FOLIDAY Town.

Casa Cook and Cook's Club

We have acquired the hotel brands of Casa Cook and Cook's Club from Thomas Cook Group plc and its subsidiaries (collectively referred as "Thomas Cook") upon its liquidation to further expand our resort and hotel portfolio globally. Casa Cook is an award-winning boutique hotel brand that focuses on design aesthetics and high-quality dining to create comfortable and happy experience for guests. Cook's Club is a beach hotel concept designed for a new generation of travelers who persue fun, lively holiday atmosphere in hotels that have modern and stylish design. Upon acquiring relevant brands, we are actively developing projects globally. As of 13 March 2020, we have entered into franchise agreements with four hotels in Europe. In the next three years, we plan to further expand Casa Cook, Cook's club and other derivative brands, if any, in Asia and Europe with not less than 15 hotels.

TOURISM DESTINATIONS

Atlantis Sanya[1]

As our first tourism destination project, Atlantis Sanya has become an iconic landmark for global tourists. In 2019, the business volume of Atlantis Sanya increased by more than 74.2% compared with last year, in particular, from May to December (Atlantis Sanya officially opened on 29 April 2018), it increased by 22.6% compared with the same period of last year. Both guest room income and other operating income increased significantly, mainly due to the significant increase in the number of visitors. Other operating income reached RMB600.0 million, representing an increase of 85.8%. In 2019, the number of clients visiting Atlantis Sanya increased from 3.2 million to approximately 5.2 million compared with the same period in 2018. In addition, in 2019, the number of visitors to the Waterpark and the Aquarium reached approximately 1.1 million and 1.2 million respectively. The adjusted EBITDA of Atlantis Sanya's operation business increased to RMB564.8 million in 2019 and it has contributed sound profit to the Group. The following table illustrates certain key operating information of Atlantis Sanya:

Item	**For the year ended 31 December 2019**	For the period from 15 February 2018 to 31 December 2018
Business Volume (RMB'000)	**1,312,059.9**	753,134.6
Room Revenue (RMB'000)	**712,085.5**	430,174.6
Other Operating Revenue (RMB'000)[2]	**599,974.4**	322,960.0
Occupancy Rate by Room	**68.5%**	58.0%
Average Daily Rate by Room (RMB)	**2,167.3**	1,915.6
RevPar by Room (RMB)	**1,485.0**	1,111.8

As of 31 December 2019, there had been over 1.8 billion User Generated Contents ("UGC") themed "Atlantis Sanya" on the mobile application "Tik Tok". We continue to enrich customer experiences in Atlantis Sanya with various tourism and entertainment services and solutions, including Miniversity, the resident Show C in C Theatre, Foryou Ski (復遊雪) experience and entertainment events. To leverage efficiency and happy experience, we are implementing various digital solutions, including the facial recognition access to Aquarium and Waterpark and Fhoto (復遊拍) e-photo studios, etc. In 2019, Atlantis Sanya achieved sales of more than RMB40.0 million in the well-known online shopping festival "Taobao Double 11" in China, ranked No. 1 in stand-alone hotel category and been awarded 47 prizes domestically and worldwide.

1 Atlantis Sanya is owned by the Group and managed by Kerzner, except for Tang Residence. It had its soft opening in February 2018 and officially opened on 29 April 2018.

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

Atlantis Sanya includes 1,004 saleable residential vacation units, called Tang Residence, including 197 villas and 807 vacation apartments with 190 villas and 794 apartments presold. We delivered 764 apartments in 2018. In 2019, we delivered 28 apartments and 176 villas and recognized RMB3,433.6 million of contract liabilities as revenue. Within 984 units presold, the remaining 2 apartments and 14 villas are expected to be transferred when the ownerships are transferred subject to applicable laws and regulations. We started to sell the remaining saleable apartments and villas in 2020. For the apartments and villas sold, approximately 235 apartments and 10 villas were managed by us as accommodation facilities under Albion brand as of the end of 2019.

FOLIDAY Town (復游城)[1]

We launched the "FOLIDAY Town" (復遊城) brand in November 2019. FOLIDAY Town is the key self-developed brand for our tourism destination business. As a new tourism and leisure product in response to consumption upgrade, the vision of FOLIDAY Town is to connect various leading global tourism and leisure brands together to lead a new global vacation lifestyle by leveraging our global FOLIDAY ecosystem and the successful operation experience in Club Med and Atlantis Sanya.

Lijiang FOLIDAY Town (麗江復游城)

Lijiang FOLIDAY Town covers land parcels of approximately 695,000 square meters in Baisha town in Lijiang city, Yunnan province in Southwestern China, which is defined as an international tourism destination targeting mid-to-high-end customers and plan to combine comprehensive tourism and leisure features, such as sightseeing attractions, resort and other accommodations (including a Club Med resort), recreational facilities, custom resort inns and accommodations, shows, local events and tours which will be operated and managed by us or our strategic partners. The GFA of Lijiang FOLIDAY Town is approximately 310,000 square meters and the project development costs (mainly including the cost to acquire the land use right and construction cost) is expected to be approximately RMB4 billion. Subject to regulatory authority's approval, the project was planned to include saleable vacations inns and residence with total GFA of over 237,000 square meters. The saleable vacation inns and residence will be designed as low-rise detached houses with low density targeting high-end customers and low-rise courtyard houses targeting mid-to-high-end customers. We have started construction of Club Med Resort and international tourism center in 2019, and the other portion of the project commences construction in stages upon local government approval and construction plan. The project is expected to be completed in stages starting from either late 2020 or early 2021 and achieve full completion in the following two to three years. As of 31 December 2019, the total cost incurred for the Lijiang FOLIDAY Town was approximately RMB746.2 million.

1 We launched the brand "復遊城" ("FOLIDAY Town") in November 2019. FOLIDAY Town is designated to offer Foliday life style experience with integrated settings of international brands, intelligent operations and various innovation solutions in FOLIDAY ecosystem for global family.

Taicang FOLIDAY Town (太倉復游城)

Taicang FOLIDAY Town covers land parcels of approximately 483,000 square meters in Taicang city, Jiangsu province in East China. The project is adjacent to Shanghai, located near Taicang South Station. It offers easy access to Shanghai Economic Belt with four intercity high-speed railways and one urban rail transit. After the completion of Taicang South Station, it takes less than 30 minutes to reach Taicang FOLIDAY Town from Shanghai Hongqiao Transportation Hub. The project is designed to offer various themed experiences and tourism features, including but not limited to one of the largest indoor snow slope in East China, a sports park, a Club Med resort, a European style commercial streets, and saleable vacation units. The GFA of Taicang FOLIDAY Town is approximately 1,286,000 square meters and the project development costs (mainly including the cost to acquire the land use right and construction cost) is expected to be approximately RMB13.2 billion. Subject to regulatory authority's approval, the project was planned to include saleable vacations units with total GFA of over 554,000 square meters. The saleable vacation units will be designed as high-rise apartment buildings targeting mid-to-high end customers. Our indoor snow slop was designed by Compagnie des Alpes ("CDA"), one of the world's leading ski resort operators based in France, to offer facilities and services with international standards. We have started construction since January 2019 and the construction of the display center for commercial sites and marketing showrooms has been opened to customers at the end of 2019. The construction is expected to be completed in stages starting from 2021 and archive full completion in the following three to four years. As of 31 December 2019, the total cost incurred in the Taicang Project was approximately RMB2,662.8 million, which was mainly used for land acquisitions and construction costs.

Other than Lijiang FOLIDAY Town and Taicang FOLIDAY Town, we are also in discussion with other developers to explore the opportunities to provide tailor-made tourism destination design, technical support and management services. In addition, we are exploring various cooperation and strategic partnerships opportunities with other companies on the development and operation models of tourism destination. We also managed and operated tourism destinations in many regions of China, such as Zhejiang, Jiangsu and Guangdong provinces under the Albion Brand.

SERVICES AND SOLUTIONS IN VARIOUS TOURISM AND LEISURE SETTINGS

Entertainment, other tourism and culture related services

Our entertainment, other tourism and culture related services grow rapidly. A modern show, the resident Show C, which involves creative inputs from world-class creators and artists, integrated with advanced stage technologies, started at the C Theatre of Atlantis Sanya in February 2019. Resident Show C, which is very attractive for family customers, was performed more than 500 times in 2019. After the opening the first Miniversity[1] in Atlantis Sanya in 2018, we opened two more Miniversity in shopping malls located in Shanghai in March 2019. Miniversity focuses on bilingual parent-child activities and learn-and-play courses. In addition, we launched two Foryou Ski, an indoor ski simulation center that provides ski training service, one in Atlantis Sanya and one in Shanghai. Foryou Ski became not only a ski training site, but also an active marketing and sales channel for our ski resorts. We plan to further provide extensive services and solutions to meet the customers' evolving needs and bring value-added synergies within our FOLIDAY ecosystem.

Platform for family-focused tourism and leisure related offerings

Our FOLIDAY distribution platform provides and distributes tailor-made tourism and leisure solutions for family, which include our FOLIDAY mobile application, Wechat account and travel agencies[2]. In 2019, the business volume of our FOLIDAY distribution platform reached RMB476.5 million, an increase of 123.0% over the same period in 2018.

In November 2019, we acquired Thomas Cook's right, title and interest in trademark, domain names, software application, social media accounts and licenses relating to the Thomas Cook brand across most international markets upon its liquidation.

[1] A one-stop international learning and playing club for children under the cooperation with Mattel, a global leader in learning and developing through play and the owner of the copyrights and trademarks of Fisher-Price, Thomas & Friends, MEGA, Hot Wheels, Bob the Builder and Barbie. Under the cooperative agreement, we hold 70% of equity interest in Miniversity and Mattel holds the remaining 30% of equity interest.

[2] Our travel agencies include joint ventures with Thomas Cook Group Plc, namely Kuyi International Travel Agency (Shanghai) Co., Ltd. and Kuyi International Travel Agency (Sanya) Co., Ltd (collectively referred as "Kuyi"). We have entered into an agreement with the liquidator of Thomas Cook Group Plc in December 2019 to acquire the rest 49% equity interest in Kuyi originally held by TCG Plc.

We aim to further expand our FOLIDAY platform business leveraging the extensive brand awareness and profound influence of Thomas Cook brand. With a history of 179 years, the Thomas Cook brand is the frontrunner of establishing tourism industry and one of the most well-known tourism brands around the world. We are in the process to integrate various applications and channels in our current FOLIDAY distribution platform to be a united lifestyle platform under Thomas Cook brand. In addition, we are exploring various opportunities to launch the online travel agency and tourism operation services with differentiated products and solutions under Thomas Cook brand launching internationally this summer.

MEMBER LOYALTY PROGRAMMES

Our loyalty programs include global Club Med Great Member loyalty program and Foryou Club, which has integrated members from various of our brands in the FOLIDAY ecosystem, including but not limited to members of Atlantis Sanya, Club Med's Great Members from China, FOLIDAY mobile application and other members from various activities and services we provide. Foryou club interacted with other strategic partners for membership benefits, including Alipay, Fliggy, Tencent Wealth Management members. As of 31 December 2019, Foryou Club has accumulated approximately 5 million members.

INTELLIGENT MIDDLE OFFICE PLATFORM

To improve the operational efficiency of destination management, we have launched a program to develop an integrated middle-office platform with operation functions in marketing, branding, pricing and yield management, payments and orders, sales, CRM and call centers for various business lines located in different regions. As of the end of December, 197 distributors had settled on the integrated middle-office platform. At the same time, the direct connection success rate and order volume increased significantly. In addition, we are launching the resort and tourism destination digitalization center which provides various digital solutions and management systems, including our hotel (resort) operating management system FOTEL, to achieve an upgrade from a single hotel management system to a one-stop operation management platform. With the implementation of our Intelligent Middle Office Platform together with membership services such as self-service express check-in, event booking, catering ticket purchase, quick entry through face recognition and image recognition, we provide convenient and fun leisure experiences to our customers.

With continuous enhancement of our FOLIDAY global ecosystem and product capabilities, the Group's business achieved a dynamic and robust growth in 2019. We will continue to focus on the enhancement of our business brands and products, further strengthen globalization and C2M ecosystem, develop contents and distribution platforms, and seize investment, acquisition or strategic alliance opportunities to further supplement our FOLIDAY ecosystem.

RECENT UPDATE ON COVID-19

Our business has solid growth in the first two months of 2020 even with the outbreak of COVID-19 starting in late January. For the two months ended 29 February 2020, the business volume of our resort operation increased by approximately 8% and the EBITDA of our resort operation increased by over 20%, compared with the same period in 2019, respectively. The business volume of our domestic destination operation decreased as a result of epidemic impact, however, the EBITDA of our domestic destination operation for the two months ended 29 February 2020 was still positive with amount of approximately RMB50 million. As of 31 December 2019, we had cash and cash equivalent of approximately RMB2.1 billion and unused bank loan facilities amounted to approximately RMB2.5 billion, which provided sufficient proceeds for our business development.

With the outbreak of COVID-19 in China and subsequent worldwide evolution, our revenue from tourism operation in regions with infected cases has been and will be still negatively impacted temporarily during the outbreak period. We have implemented various measures to mitigate the impacts of COVID-19 on our business and ensure the health and safety of our customers and employees, including but not limited to:

— Implementation of COVID 19 prevention and control policies released by relevant government authorities;

— Customer care programs with rescheduled and cancellation travel services for customers in accordance with relevant regulations;

— Temporary closure of certain resorts or certain facilities of tourism destinations;

— Provision of equipment and supplies for prevention of COVID 19 in the resorts, tourism destination and working space with flexible working environment and hours for employees;

— Implementation of cost control policies and postpone certain capital expenditure on resorts;

In addition, through Fosun's global network, we are actively involved in providing complimentary masks, protective suits and other supplies for medical personnel and other applicable parties and personnel not only in China, but also in other countries and regions worldwide.

The COVID-19 outbreak is an international public health crisis. Thanks to our global FOLIDAY ecosystem and business models we may be in a position to rebound our business quickly subsequent to the COVID-19 outbreak period. Our leading market position with remarkable customer experience and brand awareness in different regions will provide regional customers with extensive local leisure services and solutions. The epidemic is profoundly changing consumer consumption concepts. Consumers generally have higher requirements for the quality of tourism and service. The Chinese government also issued document named 'Implementation Opinions on Promoting Consumption Expansion and Quality Enhancement and Accelerating the Formation of a Strong Domestic Market' on 13 March 2020 to promote the upgrading of the quality of the tourism industry. Especially in China, Atlantis Sanya proves to have excellent product competitiveness and the weekend occupancy in mid-March 2020 has recovered to around 50% of the same period in 2019. In addition, with our globalization strategy, we can mitigate regional risks to overall business by resuming our operations in regions where the epidemic has been contained. We will continuously strengthen our leading position in regional markets, further improve customer experiences in our products and solutions, and implement relevant health and safety control procedures and process in our resorts and tourism destinations. We believe COVID-19 will not impact our long term capability to provide tourism and leisure services for our customers and generate value for our shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

Selected Items of Consolidated Statement of Profit or Loss

	For the year ended 31 December	
	2019	2018
	RMB'000	*RMB'000*
REVENUE	**17,337,169**	16,269,819
Cost of revenue	**(11,798,444)**	(10,993,771)
Gross profit	**5,538,725**	5,276,048
Other (expenses)/income and gains, net	**(37,221)**	42,809
Selling and marketing expenses	**(2,230,897)**	(2,291,700)
General and administrative expenses	**(1,199,382)**	(1,285,322)
Operating profit	**2,071,255**	1,741,835
Finance costs	**(800,886)**	(436,905)
Share of profits and losses of:		
A Joint venture	**—**	(13,635)
Associates	**4,401**	2,093
PROFIT BEFORE TAX	**1,274,740**	1,293,388
Income tax expenses	**(698,447)**	(904,267)
PROFIT FOR THE YEAR	**576,293**	389,121
Attributable to:		
Equity holders of the Company[1]	**608,722**	308,441
Non-controlling interests	**(32,429)**	80,680
	576,293	389,121

1 Profit attributable to equity holders of the Company for the year ended 31 December 2019 included RMB173.4 million profit arising from tourism operation and RMB435.3 million profit arising from property development and sales. Profit and Loss attributable to equity holders of the Company for the year ended 31 December 2018 included RMB260.3 million loss arising from tourism operation and RMB568.7 million profit arising from property development and sales.

Revenue: Our revenue increased by 6.6%, from RMB16,269.8 million for the year ended 31 December 2018 to RMB17,337.2 million for the year ended 31 December 2019, mainly driven by strong performance of our resorts and destination operations.

Revenue by business function and business segment

	For the year ended 31 December			
	2019		2018	
	RMB'000	*%*	*RMB'000*	*%*
Resorts and destination operations	**11,413,388**	**65.8%**	10,467,885	64.3%
— Resorts	**10,045,083**	**57.9%**	9,696,020	59.6%
— Tourism destinations	**1,368,305**	**7.9%**	771,865	4.7%
Tourism-related property sales and construction services	**3,493,780**	**20.2%**	3,443,894	21.2%
— Resorts	**79,079**	**0.5%**	50,633	0.3%
— Tourism destinations	**3,414,701**	**19.7%**	3,393,261	20.9%
Tourism and leisure services and solutions	**2,592,089**	**15.0%**	2,404,490	14.8%
— Resorts	**2,388,538**	**13.8%**	2,270,360	14.0%
— Services and solutions in various tourism and leisure settings	**203,551**	**1.2%**	134,130	0.8%
Eliminations	**(162,088)**	**(1.0%)**	(46,450)	(0.3%)
Total revenue from contracts with customers	**17,337,169**	**100.0%**	16,269,819	100.0%

Resorts and Destination Operations: Resort and destination operation revenue increased by 9.0% from RMB10,476.9 million in the year ended 31 December 2018 to RMB11,413.4 million in the year ended 31 December 2019.

Resort revenue increased by 3.6% year-over-year, from RMB9,696.0 million to RMB10,045.1 million in 2018 to 2019, primarily driven by the increase in business volume by 5.2% compared with last year on a like-for-like basis. Business volume increase was primarily contributed by higher Average Daily Bed Rate benefited by our popularity on winter ski products and increased 4&5 Trident resorts capacities with our upscale strategies, partially offset by the ramp-up of increased capacities and closed resorts with limited capacity and aging facilities.

Operation of Atlantis Sanya posted revenue growth of 77.2% to RMB1,332.4 million in 2019, with both increase in room revenue with higher Average Daily Rate by Room and higher Occupancy Rate by Room and increase in other operating revenues generated from the Aquarium and the Waterpark and other services provided. Atlantis Sanya had its soft opening in February 2018 and official opening in April 2018 and recorded operation revenue of approximately RMB752.0 million in 2018.

Tourism-related property sales and construction services: Revenue increased by 1.4% year-over-year from RMB3,443.9 million in 2018 to RMB3,493.8 million in 2019. Revenue of tourism-related property sales mainly contributed from the delivery of property units in Tang Residence. During the Reporting Period, 204 pre-sold units in Tang Residence were delivered to customers and the contract liabilities of RMB3,433.6 million were recognized as revenue accordingly. We started to deliver the pre-sold of Tang Residence units in the second half year of 2018. As of 31 December 2019, the remaining presold 2 apartments and 14 villas are available to be transferred when the ownerships are transferred subject to applicable laws and regulations.

Tourism and leisure services and solutions: Revenue of tourism and leisure services and solutions increased from RMB2,404.5 million to RMB2,592.1 million year-over-year, which is mainly contributed by increase in transportation services, other services and solutions related to our entertainment services, kid-playing activities and FOLIDAY platform.

Cost of revenue by business function

	For the year ended 31 December			
	2019		2018	
	RMB'000	*%*	*RMB'000*	*%*
Resorts and destination operations	**7,794,992**	**66.1%**	7,504,838	68.3%
Tourism-related property sales and construction services	**1,920,788**	**16.3%**	1,433,293	13.0%
Tourism and leisure services and solutions	**2,240,008**	**19.0%**	2,096,699	19.1%
Eliminations	**(157,344)**	**(1.4%)**	(41,059)	(0.4%)
Total	**11,798,444**	**100.0%**	10,993,771	100.0%

Gross Profit and Gross Profit Margin (GP Margin) by business function

	For the year ended 31 December			
	2019		2018	
	Gross Profit	**GP Margin**	Gross Profit	GP Margin
	RMB'000	***%***	*RMB'000*	*%*
Resorts and destination operations	**3,618,396**	**31.7%**	2,963,047	28.3%
Tourism-related property sales and construction services	**1,572,992**	**45.0%**	2,010,601	58.4%
Tourism and leisure services and solutions	**352,081**	**13.6%**	307,791	12.8%
Eliminations	**(4,744)**	**N/A**	(5,391)	N/A
Total	**5,538,725**	**31.9%**	5,276,048	32.4%

Cost of revenue, gross profit and GP Margin by business function[1]: Cost of revenue increased by 7.3% from RMB10,993.8 million in 2018 to RMB11,798.4 million in 2019 year-over-year, which was in line with revenue growth.

Gross profit[1] in 2019 was RMB5,538.7 million compared with RMB5,276.0 million in 2018, up 5.0% year-over-year. Resorts and destination operation contributed incremental gross profit of RMB655.3 million, representing of 22.1% growth year-on-year, mainly due to strong performance of Club Med and RMB410.1 million incremental gross profit contributed by full year operation of Atlantis Sanya. Meanwhile, the gross profit of tourism related property sales and construction services decreased RMB437.6 million mainly due to lower margin of villa products than apartment products, and in 2019 we delivered more villa products comparing with that in 2018.

Gross profit margin of resorts and destination operation was 31.7% compared with 28.3% in the same period last year, primary due to (1) adoption of IFRS 16 decreased cost of revenue by RMB250.9 million, leading to gross profit margin increased by 2.2%; (2) high margin of Atlantis Sanya to be 45.9%. Gross profit margin of tourism-related property sales and construction services slightly decreased from 58.4% in 2018 to 45.0% in 2019, primary due to more delivery of pre-sold villa units of Tang Residence in 2019.

[1] We adopted IFRS 16 *Leases* on 1 January 2019 with the modified retrospective method. As of 1 January 2019, total assets and total liabilities were cumulatively adjusted to increase by RMB7,907.1 million and RMB7,907.1 million respectively. Under IFRS 16, the cost of revenue was decreased by RMB250.9 million, gross profit, adjusted EBITDA, operating profit, finance cost were increased by RMB250.9 million, RMB1,294.6 million, RMB257.8 million, RMB433.0 million and net profit was decreased by RMB155.2 million respectively for the year ended 31 December 2019, compared with the accounting treatment without adoption of IFRS16. Please refer to page 33 for the detailed explanation of IFRS adoption.

Other (expenses)/income and gains, net

We had a net loss of RMB37.2 million in 2019 and a net gain of RMB42.8 million in the same period last year. The decrease was primarily due to one-off gains recognized in 2018 from the reversal of provisions for litigation and resort closure costs accrued in 2017. The reversal of provisions for litigation was made due to favourable rulings ending litigation in two matters with provisions made. The reversal of provisions for village closure was due to savings from anticipated costs for the planned closure of two villages including rent savings from early termination of leases.

Selling and marketing expenses

Our selling and marketing expenses decreased by 2.7% from RMB2,291.7 million in 2018 to RMB2,230.9 million in 2019. The decrease mainly due to (i) after the pre-sale period of Tang Residence ended in 2018, selling and marketing expenses decreased about RMB33.6 million in 2019; (ii) advertising and promotion expenses for Atlantis Sanya decreased about RMB50.3 million mainly due to Atlantis Sanya no longer had opening ceremony related expenses in 2019; (iii) partially offset by increased commission on sales for resorts and destination operations paid to travel agencies due to increase of revenue.

General and administrative expense

General and administrative expenses decreased by 6.7% from RMB1,285.3 million in 2018 to RMB1,199.4 million in 2019. The change was primarily due to one-off expenses incurred in 2018 including (i) preparation and organization cost of Atlantis Sanya of RMB67.3 million, (ii) expenses related to IPO in 2018 of RMB56.1 million, (iii) resort business expenses decreased by RMB43.3million year-over-year due to implemented cost control procedures, (iv) partially offset by increase of expenses of Lijiang, Taicang projects, tourism and leisure services and solutions during the ramp up period.

Operating profit/loss by segment

Our segment operating profit and loss increased RMB329.4 million from RMB1,741.8 million in 2018 to RMB2,071.2 million year-over-year.

	For the year ended 31 December			
	2019		2018	
	RMB'000	*%*	*RMB'000*	*%*
Resorts	**643,049**	**31.0%**	446,026	25.6%
Tourism destinations	**1,656,201**	**80.0%**	1,557,776	89.4%
Services and solutions in various tourism and leisure settings	**(63,676)**	**−3.1%**	(52,998)	−3.0%
Eliminations and unallocated expenses	**(164,349)**	**−7.9%**	(208,969)	−12.0%
Total	**2,071,225**	**100.0%**	1,741,835	100.0%

Resort: Operating profit increased from RMB446.0 million in 2018 to RMB643.0 million in 2019. Excluding the non-recurring operating items and IFRS 16 impact, the recurring operating profit was up 17.3% to a robust amount of RMB476.3 million, compared with RMB406.2 million in 2018, primarily due to the improved profitability of our resort operation. Non-recurring operating items of resort operation mainly included impairment and provisions, restructuring, gain/(loss) on the fair value change of investments measured at fair value through profit or loss, and disposal damage insurance.

Tourism destinations: Operating profit increased by RMB98.4 million from RMB1,557.8 million in 2018 to RMB1,656.2 million in 2019, representing an increase of 6.3% year-over-year. Increase of operating profit mainly due to (i) robust operation of Atlantis Sanya contributed incremental operating profit of RMB528.1 million, partially off-set by (ii) deliver of lower margin products mix of Tang Residence decreased by RMB382.5 million operating profit, and (iii) incremental operating expenses of RMB48.7 million for Taicang and Lijiang projects during the construction period.

Services and solutions in various tourism and leisure settings: Operating loss for the year ended 31 December 2019 was RMB63.7 million compared with operating loss of RMB53.0 million for the same period in 2018. The operating loss was mainly due to (i) ramp-up of online and offline travel agency leading to more cost and expenses than revenue expansion at the early stage, (ii) start-up costs in 2019 including the resident show C in Atlantis Sanya in February and two Miniveristy clubs in shopping malls in March.

Finance costs

Finance costs net of capitalized interest increased from RMB436.9 million in 2018 to RMB800.9 million in 2019. The increase of RMB364.0 was mainly due to (i) RMB433.0 million finance cost on lease liabilities with the implementation of IFRS 16, (ii) Finance cost of resort business decreased about RMB43.0 million due to the improvements of Club Med financial performance allowed us to successfully refinanced its debts with significant reduction in interest margin, (iii) Repayment of bridge loan before IPO decreased finance cost about RMB15.0 million. The interest rates of borrowings as at 31 December 2019 were approximately between 2.75% to 7.37%, as compared with approximately between 2.75% to 7.00% for the same period of last year.

Income tax expense

Income tax expense was RMB698.4 million in 2019 compared with RMB904.3 million in the same period of 2018. The decrease in tax expenses was mainly due to land appreciation tax decreased by RMB230.9 million due to lower margin of Tang Residence products, partially offset by the incremental income tax expense generated from the profit position of Atlantis Sanya.

LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sale of properties less deductible expenditures including land costs, borrowing costs and other property development expenditures. The Group has estimated, made and included in taxation a provision for LAT according to the requirements set forth in the relevant Mainland China tax laws and regulations. Details of income tax expenses are set out in page 46.

Non-IFRS Measures

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

ADJUSTED EBITDA[2]

	For the year ended 31 December	
	2019	2018
	RMB'000	*RMB'000*
Income before income tax	**1,274,740**	1,293,388
Adjustment:		
Depreciation	**1,825,941**	654,454
Amortization	**117,438**	116,593
Finance costs	**800,886**	436,905
Land appreciation tax	**(357,790)**	(588,668)
EBITDA (unaudited)	**3,661,215**	1,912,672
Add:		
Equity-settled share-based payments	**68,147**	104,224
Listing expenses	**—**	56,142
Adjusted EBITDA[(1)(2)](unaudited)	**3,729,362**	2,073,038
Arising from tourism operation[(3)]	**2,743,959**	883,200
Arising from property development and sales[(3)]	**985,403**	1,189,838

(1) With the adoption of IFRS 16, adjusted EBITDA increased by RMB1,294.6 million in 2019.

(2) Adjusted EBITDA for the year end 31 December 2018 included the preparation and operation costs of RMB187.2 million related to Atlantis Sanya before the official opening in April 2018.

(3) Unallocated expenses are allocated to adjusted EBITDA arising from tourism operation and tourism-related property sales by ratio.

Adjusted EBITDA

Adjusted EBITDA increased of RMB1,656.4 million from RMB2,073.0 million in 2018 to RMB3,729.4 million in 2019.

Adjusted EBITDA arising from tourism operation increased from RMB883.2 million in 2018 to RMB2,744.0 million in 2019. The adjusted EBITDA of resort operation increased to RMB2,273.4 million in 2019 from RMB1,025.7 million in 2018 mainly due to the improved profitability of resort operation and the impact of implementation of IFRS 16 which capitalizes the present value of the remaining lease payment as right-of-use assets and calculate depreciation instead of recording lease expenses in current period. Excluding the change of non-recurring operating items and IFRS 16 impact, the recurring adjusted EBITDA was up 9.1% year-over-year. Adjusted EBITDA of Atlantis Sanya operation was RMB564.8 million in 2019, compared to RMB53.2 million losses in 2018. Atlantis Sanya had officially opened on 29 April 2018. In 2018, Atlantis Sanya has RMB134.0 million Adjusted EBITDA generated from its operation, which is offset by RMB187.2 million of preparation and operation costs before its official opening.

The adjusted EBITDA of property sales in 2019 was RMB985.4 million, comparing with RMB1,189.8 million in the same period of 2018 mainly due to more villa of Tang Residence delivered in 2019 with lower margin.

Adjusted Net Profit

	For the year ended 31 December	
	2019	2018
	RMB'000	*RMB'000*
Net Profit	**576,293**	389,121
Add:		
Interest to related companies prior to reorganization[1]	—	30,190
Equity-settled share-based payments	**68,147**	104,224
Listing expenses	—	56,142
Adjusted Net Profit[2]	**644,440**	579,677

Note:

(1) Interest to related companies included the interest on convertible bonds and convertible redeemable preferred shares of Fidelidade which was settled in May 2018.

(2) Adjusted Net Profit for the year ended 31 December 2018 included the preparation and operation costs of RMB187.2 million related to Atlantis Sanya before the official opening in April 2018.

(3) With the adoption of IFRS 16, adjusted net profit decreased by RMB155.2 million for the year ended 31 December 2019.

Capital expenditures

Our major capital expenditures primarily consist of expenditures to land use rights and property, plant and equipment. We funded our capital expenditures from our internal resources, proceeds from share offerings, bank borrowings, finance leases, and related company loans. The amount of capital expenditures of the Group for the year ended 31 December 2018 and 2019 was RMB2,788.2 million and RMB1,294.3 million, respectively. The capital expenditures incurred in 2018 mainly included the capital expenditure for

Atlantis Sanya which is completed in 2018 and prepaid land lease payments of Taicang project. The capital expenditure incurred in 2019 mainly related to capital expenditures in tourism destination projects in Lijiang and Taicang, upgrade or renovation of existing resorts, and investments in digital technology.

Indebtedness, liquidity and financial resources of the Group

Our Group funds our investments and operations principally with cash generated from our operations, bank and other borrowings, funds raised from the capital market, related party borrowings and capital investments by our Controlling Shareholders. As of 31 December 2019, we had cash and cash equivalents of approximately RMB2.1 billion. The following table set outs our cash flows for the periods indicated:

	For the year ended 31 December	
	2019	2018
	RMB Billion	*RMB Billion*
Net cash flows generated from operating activities	**2.6**	0.6
Net cash flows used in investing activities	**(1.5)**	(3.1)
Net cash flows from/(used to) financing activities	**(0.8)**	3.3
Cash and cash equivalents at end of the year	**2.1**	1.8

Our indebtedness included interest-bearing bank borrowings, convertible bonds, convertible redeemable preferred shares and finance lease payable. As of 31 December 2019, the total amount of interest-bearing bank borrowing was RMB6,556.9 million, within which RMB2,038.2 million was repayable within one year. Our available banking facilities in 2019 amounted to RMB10,688.6 million in total, of which RMB2,542.6 million has not been utilized.

Our loan agreements may also include material financial covenants. Furthermore, we may be required to provide additional guarantees upon the lending banks' request if any changes in our guarantor adversely affect the guarantee granted by the guarantor to the lending banks. Our Directors confirm that we complied with all material covenants under our loan agreements during the Reporting Period and up to 31 December 2019.

Capital Structure

The Company continued to maintain a healthy and sound financial position. Our total assets increased from RMB29,532.3 million as of 31 December 2018 to RMB36,802.9 million as of 31 December 2019, and our total liabilities increased from RMB21,217.1 million as of 31 December 2018 to RMB28,373.0 million as of 31 December 2019.

Our current ratio maintained 0.7 as of 31 December 2018 and 2019. Our gearing ratio, which equals net debt as a percentage of total assets, increased from 14.0% as of 31 December 2018 to 37.5% as of 31 December 2019 primarily due to increase in lease liability after the implementation of IFRS 16. Gearing ratio without accounting treatment of IFRS 16 would be 16.9% as of 31 December 2019.

The Group monitors capital using a gearing ratio, which is net debt divided by the total assets. Net debt includes interest-bearing bank borrowings, finance lease payables, lease liabilities, convertible bonds and convertible redeemable preference shares, less cash and cash equivalents.

Long-term Investment Measured At Fair Value through Other Comprehensive Income

In December 2018 and 2019, our long-term investments measured at fair value through other comprehensive income were RMB309.4 million and nil, respectively. On 29 June 2018, we have acquired 5.37% equity interest in Thomas Cook Group plc ("TCG") from Fosun International Group, then acquired 1.2% and 4.81% additional shares of Thomas Cook through the secondary market of the London Stock Exchange in 2018 and 2019, respectively. We held 11.38% (174,740,358 shares) of Thomas Cook's outstanding shares with investment cost of RMB1,132.1 million (GBP123.7 million). We fund this investment principally with cash generated from our operations. We recorded RMB605.4 million loss and RMB272.2 million loss through other comprehensive income in the year ended 31 December 2018 and six months ended 30 June 2019. In September 2019, Thomas Cook has announced an application to the High Court for a compulsory liquidation. We further recorded RMB254.5 million loss through other comprehensive income subsequently and the carrying amount as of 31 December 2019 was nil.

Exchange Rate Fluctuation

The Group has resorts and commercial operations in over 40 countries and regions which are exposed to foreign exchange risk arising from various currency exposures. Major currencies for our commercial transaction included the Euro, U.S. dollar, British Pound, Hong Kong dollar and Canadian dollar. We engage in hedging transactions to limit the impact of changes in interest rates, indebtedness and the effects of changes in foreign exchange rates on commercial operation and to reduce our exposure to market volatility. For the year ended 31 December 2018 and 2019, we recorded foreign exchange loss of RMB2.6 million and gain of RMB38.9 million respectively in other (expenses)/income and gains, net. In addition, for the years ended 31 December 2018 and 2019 we recorded loss of RMB35.1 million and loss of RMB28.1 million exchange difference on translation of foreign operations in exchange reserve in other comprehensive income, respectively.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2019

	Notes	**2019** **RMB'000**	2018 RMB'000
REVENUE	3	**17,337,169**	16,269,819
Cost of revenue		**(11,798,444)**	(10,993,771)
Gross profit		**5,538,725**	5,276,048
Other (expenses)/income and gains, net	4	**(37,221)**	42,809
Selling and marketing expenses		**(2,230,897)**	(2,291,700)
General and administrative expenses		**(1,199,382)**	(1,285,322)
Operating profit		**2,071,225**	1,741,835
Finance costs	5	**(800,886)**	(436,905)
Share of profits and losses of:			
Joint ventures		**—**	(13,635)
Associates		**4,401**	2,093
PROFIT BEFORE INCOME TAX	6	**1,274,740**	1,293,388
Income tax expense	7	**(698,447)**	(904,267)
PROFIT FOR THE YEAR		**576,293**	389,121
Attributable to:			
Equity holders of the Company		**608,722**	308,441
Non-controlling interests		**(32,429)**	80,680
		576,293	389,121
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY:			
Basic			
— For profit for the year (RMB)	9	**0.49**	0.31
Diluted			
— For profit for the year (RMB)	9	**0.49**	0.30

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2019

	2019	2018
	RMB'000	*RMB'000*
PROFIT FOR THE YEAR	**576,293**	389,121
OTHER COMPREHENSIVE INCOME		
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:		
Effective portion of changes in fair value of hedging instruments arising during the year	**(51,419)**	34,116
Reclassification adjustments for (gains)/losses included in the consolidated statements of profit or loss	**(11,658)**	26,758
Exchange differences on translation of foreign operations	**28,149**	35,102
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods	**(34,928)**	95,976
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Actuarial reserve relating to employee benefits	**(23,584)**	(106,078)
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	**(509,121)**	(774,011)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	**(532,705)**	(880,089)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	**(567,633)**	(784,113)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	**8,660**	(394,992)
Attributable to:		
Equity holders of the Company	**7,269**	(405,013)
Non-controlling interests	**1,391**	10,021
	8,660	(394,992)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2019

	Notes	2019 RMB'000	2018 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**10,623,796**	10,153,134
Prepaid land lease payments		**—**	1,339,883
Right-of-use assets		**11,053,155**	—
Intangible assets		**2,756,705**	2,624,720
Goodwill		**1,730,305**	1,737,345
Investments in joint ventures		**—**	—
Investments in associates		**194,707**	158,586
Financial assets at fair value through profit or loss		**28,478**	363,845
Equity investments designated at fair value through other comprehensive income		**—**	309,438
Properties under development		**1,157,886**	1,124,014
Due from related companies		**6,874**	20,400
Prepayments, other receivables and other assets		**296,667**	1,556,763
Deferred tax assets		**294,351**	241,978
Total non-current assets		**28,142,924**	19,630,106
CURRENT ASSETS			
Inventories		**196,193**	178,640
Completed properties for sale		**462,497**	1,243,892
Properties under development		**779,956**	1,046,604
Trade receivables	*10*	**653,035**	772,353
Contract assets and other assets		**4,284**	59,313
Prepayments, other receivables and other assets		**2,059,455**	2,450,631
Due from related companies		**1,911,718**	1,933,349
Derivative financial instruments		**31,042**	54,664
Financial assets at fair value through profit or loss		**423,432**	—
Restricted cash		**9,690**	287,791
Cash and cash equivalents		**2,128,677**	1,874,998
Total current assets		**8,659,979**	9,902,235

	Notes	2019 RMB'000	2018 RMB'000
CURRENT LIABILITIES			
Interest-bearing bank borrowings		**2,038,170**	752,377
Contract liabilities		**1,175,498**	4,434,605
Trade payables	*11*	**1,708,988**	1,870,767
Accrued liabilities and other payables		**5,518,933**	4,742,855
Lease liability		**864,353**	—
Tax payable		**913,437**	730,616
Finance lease payables		**—**	6,647
Due to related companies		**66,546**	1,975,348
Derivative financial instruments		**99,706**	49,516
Total current liabilities		**12,385,631**	14,562,731
NET CURRENT LIABILITIES		**(3,725,652)**	(4,660,496)
TOTAL ASSETS LESS CURRENT LIABILITIES		**24,417,272**	14,969,610
NON-CURRENT LIABILITIES			
Convertible redeemable preferred shares		**85,323**	163,136
Convertible bonds		**172,735**	330,369
Lease liability		**8,240,290**	—
Interest-bearing bank borrowings		**4,518,769**	4,674,114
Finance lease payables		**—**	73,372
Deferred income		**113,521**	120,720
Due to the holding company		**1,821,347**	—
Other long term payables		**432,514**	589,646
Deferred tax liabilities		**602,897**	703,055
Total non-current liabilities		**15,987,396**	6,654,412
Net assets		**8,429,876**	8,315,198
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**183**	174
Shares held for the share-based payment schemes		**(3,004)**	—
Reserves		**8,132,384**	8,036,866
		8,129,563	8,037,040
Non-controlling interests		**300,313**	278,158
Total equity		**8,429,876**	8,315,198

1.1 BASIS OF PREPARATION

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

The Group has net current liabilities of RMB3,725,652,000 as at 31 December 2019. Having taken into account of the unused bank facilities, the expected cash flows from operating and financing activities and the fact that the contract liabilities included in current liabilities in the amount of RMB1,175,498,000 at 31 December 2019 which will be recognised as revenue and not result in cash outflows in the next twelve months from the end of the year, the Directors consider that it is appropriate to prepare the financial statements on a going concern basis.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 9	*Prepayment Features with Negative Compensation*
IFRS 16	*Leases*
Amendments to IAS 19	*Plan Amendment, Curtailment or Settlement*
Amendments to IAS 28	*Long-term Interests in Associates and Joint Ventures*
IFRIC Interpretation 23	*Uncertainty over Income Tax Treatments*
Annual Improvements 2015–2017 Cycle	Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23

The main nature and impact of the new and revised IFRSs are described below.

(a) IFRS 16 replaces IAS 17 *Leases*, IFRIC-Int 4 *Determining whether an Arrangement contains a Lease*, SIC-Int 15 *Operating Leases — Incentives* and SIC-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model to recognise and measure right-of-use assets and lease liabilities, except for certain recognition exemptions. Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors continue to classify leases as either operating or finance leases using similar principles as in IAS 17.

The Group adopted IFRS 16 using the modified retrospective method with the date of initial application of 1 January 2019. Under this method, the standard has been applied retrospectively with the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2019, and the comparative information for 2018 was not restated and continues to be reported under IAS 17 and related interpretations.

New definition of a lease

Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC-Int 4 at the date of initial application. Contracts that were not identified as leases under IAS 17 and IFRIC-Int 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

As a lessee — Leases previously classified as operating leases

Nature of the effect of adoption of IFRS 16

The Group has lease contracts for various items of buildings, machinery and furniture, fixture and other equipment. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under IFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low-value assets (elected on a lease by lease basis) and leases with a lease term of 12 months or less ("short-term leases") (elected by class of underlying asset). Instead of recognising rental expenses under operating leases on a straight-line basis over the lease term commencing from 1 January 2019, the Group recognises depreciation (and impairment, if any) of the right-of-use assets and interest accrued on the outstanding lease liabilities (as finance costs).

Impacts on transition

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019 and presented separately in the statement of financial position. The right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 January 2019.

All these assets were assessed for any impairment based on IAS 36 on that date. The Group elected to present the right-of-use assets separately in the statement of financial position. This includes the lease assets recognised previously under finance leases of RMB68,260,000 that were reclassified from property, plant and equipment.

The Group has used the following elective practical expedients when applying IFRS 16 at 1 January 2019:

- Applying the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application
- Using hindsight in determining the lease term where the contract contains options to extend/terminate the lease
- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics

- Excluding initial direct costs from the measurement of the right-of-use asset at the date of initial application

As a lessee — Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases. Accordingly, the carrying amounts of the right-of-use assets and the lease liabilities at 1 January 2019 were the carrying amounts of the recognised assets and liabilities (i.e., finance lease payables) measured under IAS 17.

Financial impact at 1 January 2019

The impact arising from the adoption of IFRS 16 at 1 January 2019 was as follows:

	Increase/ (decrease) *RMB'000*
Assets	
Increase in right-of-use assets	9,581,802
Decrease in property, plant and equipment	(68,260)
Decrease in intangible assets	(65,964)
Decrease in prepaid land lease payments	(1,339,883)
Decrease in the current portion of prepaid land lease payments in prepayments, other receivables and other assets	(34,663)
Decrease in prepayments, other receivables and other assets	(165,933)
Increase in total assets	7,907,099
Liabilities	
Increase in lease liabilities	8,200,588
Decrease in trade payables	(17,897)
Decrease in accrued liabilities and other payables	(1,988)
Decrease in other long-term payables	(193,585)
Decrease in finance lease payables	(80,019)
Increase in total liabilities	7,907,099

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 are as follows:

	RMB'000
Operating lease commitments as at 31 December 2018	13,853,114
Less: Operating lease commitments for signed lease contract of which the lease terms were not started at 1 January 2019	(3,297,560)
Commitments relating to short-term leases and those leases with a remaining lease term ending on or before 31 December 2019 and low-value leases	(10,158)
Add: Payments for optional extension periods not recognised as at 31 December 2018	570,342
Operating lease commitments as at 31 December 2018	11,115,738
Weighted average incremental borrowing rate as at 1 January 2019	5.77%
Discounted operating lease commitments as at 1 January 2019	8,120,569
Add: Finance lease liabilities recognised as at 31 December 2018	80,019
Lease liabilities as at 1 January 2019	8,200,588

(b) Amendments to IAS 28 clarify that the scope exclusion of IFRS 9 only includes interests in an associate or joint venture to which the equity method is applied and does not include long-term interests that in substance form part of the net investment in the associate or joint venture, to which the equity method has not been applied. Therefore, an entity applies IFRS 9, rather than IAS 28, including the impairment requirements under IFRS 9, in accounting for such long-term interests. IAS 28 is then applied to the net investment, which includes the long-term interests, only in the context of recognising losses of an associate or joint venture and impairment of the net investment in the associate or joint venture. The amendments did not have any impact on the financial position or performance of the Group.

(c) IFRIC-Int 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of IAS 12 (often referred to as "uncertain tax positions"). The interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation did not have any significant impact on the financial position or performance of the Group.

1.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

Amendments to IFRS 3	*Definition of a Business*[1]
Amendments to IFRS 9, IAS 39 and IFRS 7	*Interest Rate Benchmark Reform*[1]
Amendments to IFRS 10 and IAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
IFRS 17	*Insurance Contracts*[2]
Amendments to IAS 1 and IAS 8	*Definition of Material*[1]
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*[4]

1 Effective for annual periods beginning on or after 1 January 2020
2 Effective for annual periods beginning on or after 1 January 2021
3 No mandatory effective date yet determined but available for adoption
4 Effective for annual periods beginning on or after 1 January 2022

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

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

Amendments to IFRS 9, IAS 39 and IFRS 7 address the effects of interbank offered rate reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments are effective for annual periods beginning on or after 1 January 2020. Early application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

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

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

2. OPERATING SEGMENT INFORMATION

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

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

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

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

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

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

Year ended 31 December 2019

	Resorts *RMB'000*	Tourism destinations *RMB'000*	Services and solutions in various tourism and leisure settings *RMB'000*	Eliminations *RMB'000*	Total *RMB'000*
Segment revenue (note 3)					
External customers	**12,450,781**	**4,691,729**	**194,659**	**—**	**17,337,169**
Inter-segment sales	**61,919**	**91,277**	**8,892**	**(162,088)**	**—**
Total revenue	**12,512,700**	**4,783,006**	**203,551**	**(162,088)**	**17,337,169**
Segment operating profit/ (loss)	**643,049**	**1,656,201**	**(63,676)**	**—**	**2,235,574**
Unallocated expenses*					**(164,349)**
Total operating profit					**2,071,225**
Finance costs					**(800,886)**
Share of profits and losses of associates					**4,401**
Profit before income tax					**1,274,740**

* The unallocated expenses for the year ended 31 December 2019 mainly represented the equity-settled share-based payments expenses and other employee benefit expenses.

Year ended 31 December 2018

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

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

Geographical information

	2019 ***RMB'000***	2018 *RMB'000*
Revenue from external customers		
Europe, Middle East and Africa	**8,278,653**	8,074,476
America	**2,408,236**	2,198,692
Asia Pacific	**6,650,280**	5,996,651
	17,337,169	16,269,819

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

	2019	2018
	RMB'000	*RMB'000*
Non-current assets		
Europe, Middle East and Africa	**12,437,408**	5,987,058
America	**4,609,088**	3,300,219
Asia Pacific	**10,475,770**	9,125,827
	27,522,266	18,413,104

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

Information about a major customer

No revenue amounting to 10% or more of the Group's revenue was derived from sales to a single customer for the year ended 31 December 2019 (2018: nil).

3. REVENUE

An analysis of revenue is as follows:

	2019	2018
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Resorts and destination operation	**11,260,192**	10,426,589
Tourism-related property sales and construction services	**3,493,780**	3,443,894
Tourism and leisure services and solutions	**2,583,197**	2,399,336
	17,337,169	16,269,819

Disaggregated revenue information

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

For the year ended 31 December 2019

Segments	Resorts *RMB'000*	Tourism destinations *RMB'000*	Services and solutions in various tourism and leisure settings *RMB'000*	Eliminations *RMB'000*	Total *RMB'000*
Type of goods or services					
Resorts and destination operation	**10,045,083**	**1,368,305**	**—**	**(153,196)**	**11,260,192**
Tourism-related property sales and construction services	**79,079**	**3,414,701**	**—**	**—**	**3,493,780**
Tourism and leisure services and solutions	**2,388,538**	**—**	**203,551**	**(8,892)**	**2,583,197**
	12,512,700	**4,783,006**	**203,551**	**(162,088)**	**17,337,169**
Inter-segment sales	**(61,919)**	**(91,277)**	**(8,892)**	**162,088**	**—**
Total revenue from contracts with customers	**12,450,781**	**4,691,729**	**194,659**	**—**	**17,337,169**
Timing of revenue recognition					
Goods transferred at a point in time	**—**	**3,414,701**	**—**	**—**	**3,414,701**
Services transferred over time	**12,512,700**	**1,368,305**	**203,551**	**(162,088)**	**13,922,468**
	12,512,700	**4,783,006**	**203,551**	**(162,088)**	**17,337,169**
Inter-segment sales	**(61,919)**	**(91,277)**	**(8,892)**	**162,088**	**—**
Total revenue from contracts with customers	**12,450,781**	**4,691,729**	**194,659**	**—**	**17,337,169**

For the year ended 31 December 2018

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

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

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

	2019	2018
	RMB'000	*RMB'000*
Other income		
Interest income	**24,602**	23,053
Government grants	**36,005**	23,269
Compensation and indemnity	**13,136**	8,671
Others	**30,352**	16,232
	104,095	71,225
Gains		
Gain on disposal of:		
— *An associate*	**—**	50,274
Gain on disposal of items of property, plant and equipment	**3,489**	35,318
Gain on disposal of items of intangible assets	**—**	2,703
Gain on the fair value change of financial assets at fair value through profit or loss	**—**	9,569
Gain on reversal of provisions relating to		
— *Resort closure costs*	**1,829**	27,261
— *Litigation claims*	**29,205**	89,048
Exchange gain, net	**38,902**	—
	73,425	214,173
Other income and gains	**177,520**	285,398
Other expenses		
Compensation costs relating to employees	**(50,073)**	(57,973)
Provision for litigation, including tax related	**(33,626)**	(40,440)
Provision for resort closure costs	**(48,013)**	(38,989)
Loss on the fair value change of financial assets at fair value through profit or loss	**(17,890)**	—
Impairment loss on:		
— *Prepayments*	**(12,600)**	—
— *Intangible assets*	**—**	(18,287)
— *property, plant and equipment*	**(6,244)**	(46,532)
Exchange loss, net	**—**	(2,649)
Others	**(46,101)**	(37,719)
Other expenses	**(214,741)**	(242,589)
Other (expenses)/income and gains, net	**(37,221)**	42,809

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2019 *RMB'000*	2018 *RMB'000*
Interest on bank borrowings	**290,718**	334,668
Interest on loans from related companies	**360**	360
Interest expense arising from revenue contracts	**67,942**	174,393
Interest on convertible bonds	**22,780**	45,545
Interest on convertible redeemable preferred shares	**11,127**	23,418
Interest on lease liabilities	**432,998**	—
Interest on finance leases	**—**	3,648
Bank charges and other financial costs	**11,514**	5,219
	837,439	587,251
Less: Interest capitalised	**36,553**	150,346
Total finance costs	**800,886**	436,905

6. PROFIT BEFORE INCOME TAX

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

	Notes	2019 *RMB'000*	2018 *RMB'000*
Cost of revenue:			
Cost of resorts and destination operation services and tourism and leisure service provided		**9,877,905**	9,560,478
Cost of tourism-related property sales and construction services		**1,920,539**	1,433,293
		11,798,444	10,993,771
Employee benefit expense (including directors' and chief executive's remuneration)			
Wages and salaries		**2,819,670**	2,665,444
Accommodation benefits and others			
— *Defined contribution fund*		**462,469**	427,693
Pension scheme costs:			
— *Defined benefit fund*		**35,110**	19,622
— *Defined contribution fund*		**131,522**	155,363
Equity-settled share-based payment expenses		**68,147**	104,224
		3,516,918	3,372,346

	Notes	2019 RMB'000	2018 RMB'000
Listing expenses (including reporting accountants' fee)		**—**	56,142
Auditor's remuneration		**3,900**	2,880
Depreciation of property, plant and equipment		**752,298**	654,454
Depreciation of right-of-use assets (2018: amortisation of prepaid land lease payments)		**1,074,614**	22,170
Amortisation of intangible assets		**118,157**	94,423
Impairment of financial and contract assets and other assets:			
Impairment of trade receivables		**13,886**	7,695
Impairment of financial assets included in prepayments, other receivables and other assets		**13,190**	645
Provision for inventories		**2,561**	2,296
Provision for impairment of items of property, plant and equipment	*4*	**6,244**	46,532
Provision for impairment of intangible assets	*4*	**—**	18,287
Fair value loss/(gain) on financial assets at fair value through profit or loss	*4*	**17,890**	(9,569)
Fair value loss on derivative instruments, net		**—**	90
Minimum lease payments under operating leases		**—**	1,402,852
Lease payments not included in the measurement of lease liabilities		**165,766**	—
Exchange (gain)/loss, net	*4*	**(38,902)**	2,649
Gain on disposal of investments in an associate	*4*	**—**	(50,274)
Gain on disposal of items of property, plant and equipment	*4*	**(3,489)**	(35,318)
Gain on disposal of items of intangible assets	*4*	**—**	(2,703)

7. INCOME TAX

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

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

	2019 RMB'000	2018 RMB'000
Current — France and others	**152,739**	118,290
Current — Mainland China		
Income tax in Mainland China for the year	**342,262**	200,868
LAT in Mainland China for the year	**357,790**	588,668
Deferred	**(154,344)**	(3,559)
Income tax expense for the year	**698,447**	904,267

The provision for income tax of Club Med Holding and its subsidiaries incorporated in France in the year of 2019 was based on a rate of 34.43% (2018: 34.43%).

The provision for Mainland China current income tax is based on the statutory rate of 25% (2018: 25%) of the assessable profits for the Reporting Period of the Group as determined in accordance with the PRC Corporate Income Tax Law, which was approved and became effective on 1 January 2008.

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

8. DIVIDENDS

	2019	2018
	RMB'000	*RMB'000*
Interim — HKD0.07 (2018: Nil) per ordinary share	**77,922**	—
Proposed — HKD0.02 (2018: Nil) per ordinary share *(Note)*	**22,236**	—
	100,158	—

Note:

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

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

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares of 1,234,033,842 (2018: 1,011,003,222) in issue during the year.

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

The calculations of basic and diluted earnings per share are based on:

	2019	2018
	RMB'000	*RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic and diluted earnings per share calculation	**608,722**	308,441

	Number of shares	
	2019	2018
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**1,234,033,842**	1,011,003,222
Effect of dilution — weighted average number of ordinary shares:		
— Share ownership plan	**1,651,068**	9,016,195
— Share option scheme	**3,822,120**	4,867,606
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	**1,239,507,030**	1,024,887,023
Basic earnings per share (RMB)	**0.49**	0.31
Diluted earnings per share (RMB)	**0.49**	0.30

10. TRADE RECEIVABLES

	2019	2018
	RMB'000	*RMB'000*
Trade receivables	**696,610**	810,125
Impairment	**(43,575)**	(37,772)
	653,035	772,353

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

	2019	2018
	RMB'000	*RMB'000*
Outstanding balances with ages:		
Within 90 days	**468,072**	607,716
91 to 180 days	**43,011**	17,671
181 to 365 days	**141,952**	146,966
	653,035	772,353

11. TRADE PAYABLES

	Notes	**31 December 2019 RMB'000**	1 January 2019 RMB'000	31 December 2018 RMB'000
Trade payables	(i)	**1,708,988**	1,852,870	1,870,767

Notes:

(i) As a result of the initial application of IFRS 16, accrued lease payments of RMB17,897,000 previously included in "Trade payables" were adjusted to the right-of-use assets recognised at 1 January 2019 (refer to note 1.2(a) to the financial statements for further details).

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

	2019 RMB'000	2018 RMB'000
Within 90 days	**1,270,744**	1,556,497
91 to 180 days	**19,894**	21,866
181 to 365 days	**16,933**	281,481
1 to 2 years	**401,136**	8,353
2 to 3 years	**86**	2,570
Over 3 years	**195**	—
	1,708,988	1,870,767

Trade payables are non-interest-bearing.

12. EVENTS AFTER THE REPORTING PERIOD

In January 2020, there was a mass outbreak of the coronavirus disease ("COVID-19") in Mainland China and have spread across the world till March 2020. The Group has implemented various measures to mitigate the impacts of COVID-19 on the business and to ensure the health and safety of the Group's customers and employees.

The Directors expect that the COVID-19 will have a short-term impact on the Group's business operation. The Group will keep continuous attention on the situation of the COVID-19, assess and react actively to its impacts on the financial position and operating results of the Group. Up to the date of the approval of the financial statements, the assessment is still in progress.

CORPORATE GOVERNANCE

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

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

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

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

MODEL CODE

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

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

AUDIT COMMITTEE

During the Reporting Period, the Audit Committee comprises three members, including two independent non-executive Directors, namely Mr. Guo Yongqing (Chairman) and Ms. Katherine Rong Xin and one non-executive Director namely Mr. Wang Can. The main duties of the Audit Committee are to review the financial statements and reports; to review the relationship with the external auditors and to review the adequacy and effectiveness of the Company's financial reporting system, risk management and internal control system. The Company's annual results for the year ended 31 December 2019 have been reviewed by the Audit Committee.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**AGM**") will be held on Wednesday, 20 May 2020. The notice of AGM will be published on the websites of the Company (www.fosunholiday.com) and the Hong Kong Stock Exchange (www.hkexnews.hk) and dispatched to the Shareholders.

FINAL DIVIDEND PAYMENT AND CLOSURE OF REGISTER

The Board is pleased to declare a final dividend for the year ended 31 December 2019 (the "**Final Dividend**") of HK$0.02 (year ended 31 December 2018: nil) per Share, payable to Shareholders whose names appear on the Company's register of members at the close of business on 2 July 2020, being the record date for determination of entitlement to the Final Dividend. The Final Dividend is expected to be paid on or around 15 July 2020.

The register of members of the Company will be closed from Friday, 15 May 2020 to Wednesday, 20 May 2020, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates and other relevant documents, if any, must be lodged with Computershare Hong Kong Investor Services Limited, the share registrar of the Company, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Thursday,14 May 2020.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

FORWARD-LOOKING STATEMENTS

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

ANNUAL REPORT

This results announcement is published on the websites of the Company (www.fosunholiday.com) and the Stock Exchange (www.hkexnews.hk). The annual report will be dispatched to the Shareholders and published on both websites on or before 15 April 2020.

APPRECIATION

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

GLOSSARY

ABBREVIATIONS

Aquarium	the Lost Chambers Aquarium in Atlantis Sanya
Atlantis Sanya	our tourism destination on the Haitang Bay National Coast of Sanya, Hainan province, PRC
Audit Committee	the audit committee of the Board
Average Daily Bed Rate	the business volume divided by the total number of beds sold
Board	our board of Directors
CAGR	Compound Annual Growth Rate, the rate of growth during a specific period of time
Capacity of Resorts	the total number of beds available for sale over a period or year, i.e., the number of beds, multiplied by the number of days on which resorts are open
Casa Cook	an award-winning boutique lifestyle hotel brand under Thomas Cook, with a focus on design, high-quality food and wellbeing
CG Code	the Corporate Governance Code set out in Appendix 14 of the Listing Rules
China or PRC	the People's Republic of China, but for the purpose of this report and for geographical reference only and except where the context requires, references in this report to "China" and the "PRC" do not apply to Hong Kong, Macau and Taiwan
Club Med	Club Med SAS (formerly known as Club Méditerranée SA), a simplified joint-stock company (société par actions simplifiée) incorporated in France on 12 November 1957 and a non-wholly owned subsidiary of our Company
Club Med Holding	Club Med Holding (formerly known as Holding Gaillon II), a simplified joint-stock company (sociétépar actions simplifiée) incorporated in France on 9 September 2014 and a non-wholly owned subsidiary of our Company

Company or our Company	Fosun Tourism Group (formerly known as Fosun Tourism and Culture Group (Cayman) Company Limited), an exempted company with limited liability incorporated in the Cayman Islands on 30 September 2016
connected person(s)	has the meaning ascribed thereto under the Listing Rules
Controlling Shareholder(s)	has the meaning ascribed thereto under the Listing Rules and, unless the context otherwise requires, refers to Fosun International, FHL, FIHL, and Mr. Guo Guangchang
Cook's Club	a beach hotel brand under Thomas Cook, designed for a new generation of travellers who want fun, lively holidays in hotels that have modern and stylish design
Director(s)	the director(s) of the Company
EBITDA	earnings before interest, taxes, depreciation and amortization
EMEA	Europe, Middle East, and Africa, which, for our purposes, also includes Turkey
Euro	the lawful currency of the European Union
Fidelidade	Fidelidade-Companhia de Seguros, S.A., a company incorporated in Portugal and a non-wholly owned subsidiary of Fosun International
FHL	Fosun Holdings Limited, a company incorporated in Hong Kong with limited liability, which is wholly owned by FIHL, and one of our Controlling Shareholders
FIHL	Fosun International Holdings Ltd., a company incorporated in the British Virgin Islands with limited liability, and one of our Controlling Shareholders
FOLIDAY	our global ecosystem consisting of our commercially-interconnected businesses that offers a wide spectrum of tourism- and leisure-related services
Foryou Club	our membership system in China that manages and operates services and activities for members and customers under the FOLIDAY ecosystem

Fosun International	Fosun International Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board (stock code: 0656), and one of our Controlling Shareholders
Fosun International Group	Fosun International and its subsidiaries from time to time
Frost & Sullivan Report	an independent market research report prepared by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a global market research and consulting company, which is an independent third party
GFA	gross floor area
Great Members	members of Club Med's Great Member loyalty program
Group, our Group, we, or us	our Company and our subsidiaries at the relevant time or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries, the business operated by such subsidiaries or their predecessors (as the case may be)
Happy Digital	Club Med's digitalization initiatives, through which we use digital solutions to improve our guests' and employees' experience while making the technology user-friendly and seamless
HK$ or HKD	the lawful currency of Hong Kong
Hong Kong	the Hong Kong Special Administrative Region of the PRC
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
Independent third party(ies)	an individual or a company which, to the best of our Directors' knowledge, information, and belief, having made all reasonable enquiries, is not a connected person of the Company within the meaning of the Listing Rules
Kerzner	Kerzner International Limited, a company incorporated in The Commonwealth of the Bahamas, and its subsidiaries

Listing	the listing of the Shares on the Main Board
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
Macau	the Macau Special Administrative Region of the PRC
Main Board	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange
Mattel	Mattel Ventures International II Limited, a company incorporated in Hong Kong and an independent third party
Miniversity	the brand for learning and playing club for children
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rules
Occupancy Rate by Bed	the ratio expressed as a percentage between the total number of beds sold and the total number of beds available for sale over a period or year
Occupancy Rate by Room	the total number of rooms sold divided by the total number of rooms available for sale
Revenue per Bed	the Resort Revenue divided by the Capacity of Resorts
Resort Revenue	the aggregate income of all resorts, including sales of all-inclusive packages and revenue generated onsite out of the all-inclusive packages
Reporting Period	1 January 2019 to 31 December 2019
RMB	the lawful currency of the PRC
Share(s)	ordinary share(s) in the share capital of our Company
Shareholder(s)	holder(s) of the Shares
Stock Exchange	The Stock Exchange of Hong Kong Limited

subsidiaries	has the meaning ascribed thereto under section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
Tang Residence	the saleable residential vacation units in Atlantis Sanya
Thomas Cook	Thomas Cook Group plc, a company incorporated in England and Wales, the shares of which are listed on the London Stock Exchange (stock code: TCG), the company applied for liquidation on 23 September 2019
Trident	the measurement unit used by Club Med to indicate the level of each Club Med resort, which is similar to "star" used for traditional hotel ratings
USD or U.S. dollar	the lawful currency of the United States of America
Waterpark	the Aquaventure Waterpark in Atlantis Sanya

By order of the Board
Fosun Tourism Group
Qian Jiannong
Chairman

17 March 2020

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