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## **China Tourism Group Duty Free Corporation Limited**

**中國旅遊集團中免股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 1880)**

### **THIRD QUARTERLY REPORT OF 2023**

This announcement is made pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2) and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors (the “**Board**”) of China Tourism Group Duty Free Corporation Limited (the “**Company**”) published the third quarterly report of the Company and its subsidiaries (the “**Group**”), the financial information contained in which is prepared in accordance with China Accounting Standards for Business Enterprises and has not been audited.

#### **IMPORTANT NOTICE**

The board of directors, the supervisory committee, directors, supervisors and the senior management of the Company warrant that there are no misrepresentations or misleading statements contained in or material omissions from this quarterly report, and accept joint and several legal responsibilities for the truthfulness, accuracy and completeness of the content of this quarterly report.

Person in charge of the Company, person in charge of accounting function and the head of accounting department (the person in charge of the accounting) warrant the truthfulness, accuracy and completeness of the financial information in this quarterly report.

## I. BUSINESS REVIEW

During the three months ended September 30, 2023 (the “**Reporting Period**”), the Company continued to focus on its duty-free principal business, constantly optimized its product structure and business layout, and strengthened cost and expense control in line with its established development strategy. As a result, the Company achieved steady growth in performance. In the first three quarters of 2023, the Company achieved operating income of RMB50.837 billion, increasing by 29.14% year-on-year, and net profit attributable to shareholders of the Company of RMB5.206 billion, increasing by 12.49% year-on-year. In the third quarter in particular, the operating income was RMB14.979 billion, increasing by 27.87% year-on-year, and the net profit attributable to shareholders of the Company was RMB1.341 billion, increasing by 94.22% year-on-year. The specific measures are as follows:

Firstly, the Company continued to deepen the offshore duty-free market. During the Reporting Period, the Company comprehensively carried out the management service enhancement action to improve the overall gross profit level through unifying pricing of the whole island, optimizing promotional discount, improving category sales structure and other measures, and to enhance the consumer service capability by implementing the policy of “Buy and pick-up” and “Guaranteed pick-up”. During the Reporting Period, Sanya Phoenix Airport Duty Free Shop Phase II commenced operation, furthering improving the offshore duty-free business layout of the Company.

Secondly, the Company adjusted and optimized the category structure. During the Reporting Period, the Company continued to promote the integration of online business, enhance the supply of best-selling products, broaden the product boundaries, and introduce more high-margin products to online channels, so as to strengthen the category integration capability, cultivate and develop new brands, and meet the needs of consumers for constantly upgraded categories.

Thirdly, the Company strengthened procurement and inventory management. During the Reporting Period, the Company regularly reviewed the standardized operation of the whole process of key categories and brands, and timely optimized the procurement management system, thereby improving the operation standards and procurement capabilities. The Company kept track of internal and external inventory turnover throughout the whole chain, and continued to optimize inventory management by accelerating purchase and sales, shortening procurement cycle and stimulating inventory turnover.

Fourthly, the Company refined the membership operation. During the Reporting Period, the Company deeply explored the value of members, innovated consumption scenarios, improved service experience, and continuously enhanced member stickiness. Through diversified marketing channels such as live streaming, WeChat Mini Program and Alipay Mini Program, the Company enhanced the purchasing power and communication power of its members and effectively strengthened the value recognition towards the Company’s brand among consumers. Currently, the total number of cdf members has exceeded 30,000,000.

During the Reporting Period, the Company focused on sustainability by pursuing a balanced growth in scale and profit. In the first three quarters of 2023, the gross profit margin of the Company’s principal businesses continued to recover, which was 28.75%, 32.47% and 34.27%, respectively.

## II. SHAREHOLDERS INFORMATION

As at the end of the Reporting Period, the total number of ordinary shareholders of the Company was 293,606, and there were no holders of preference shares have reinstated voting rights.

As at the end of the Reporting Period, the shareholdings of the top 10 shareholders are set out below:

*Unit: Share*

Name of shareholders	Nature of shareholder	Number of shareholding	Shareholding ratio (%)	Number of shares held subject to trading moratorium	Shares pledged, marked or frozen	
					Status of shares	Number
China Tourism Group Co., Ltd.	State-owned legal person	1,040,642,690	50.30	0	None	
Hong Kong Securities Clearing Company Limited	Overseas legal person	158,661,795	7.67	0	Unknown	
HKSCC Nominees Limited	Overseas legal person	116,374,989	5.63	0	Unknown	
China Securities Finance Corporation Limited	Unknown	58,442,931	2.82	0	Unknown	
Industrial and Commercial Bank of China Limited – Jingshun Great Wall Emerging Growth Hybrid Securities Investment Fund (景順長城新興成長混合型證券投資基金)	Unknown	19,613,794	0.95	0	Unknown	
China Life Insurance Company Limited – Traditional – General Insurance Products – 005L-CT001 Hu (中國人壽保險股份有限公司 – 傳統 – 普通保險產品 – 005L-CT001 滬)	Unknown	13,829,463	0.67	0	Unknown	
Central Huijin Asset Management Ltd.	State-owned legal person	11,848,153	0.57	0	Unknown	
Industrial and Commercial Bank of China – SSE 50 Traded Open-ended Index Securities Investment Fund (上證 50 交易型開放式指數證券投資基金)	Unknown	9,302,200	0.45	0	Unknown	
Bank of China Limited – Jingshun Great Wall Dingyi Hybrid Securities Investment Fund (LOF) (景順長城鼎益混合型證券投資基金(LOF))	Unknown	8,650,436	0.42	0	Unknown	
Industrial and Commercial Bank of China – Huatai-Pinebridge CSI 300 Exchange Traded Open-ended Index Securities Investment Fund (華泰柏瑞滬深 300 交易型開放式指數證券投資基金)	Unknown	6,429,185	0.31	0	Unknown	

As at the end of the Reporting Period, the shareholdings of the top 10 shareholders without selling restrictions are set out below:

*Unit: Share*

Name of shareholders	Number of shares without selling restrictions	Class and number of shares	
		Class	Number
China Tourism Group Co., Ltd.	1,040,642,690	RMB-denominated ordinary shares	1,040,642,690
Hong Kong Securities Clearing Company Limited	158,661,795	RMB-denominated ordinary shares	158,661,795
HKSCC Nominees Limited	116,374,989	Overseas-listed foreign shares	116,374,989
China Securities Finance Corporation Limited	58,442,931	RMB-denominated ordinary shares	58,442,931
Industrial and Commercial Bank of China Limited – Jingshun Great Wall Emerging Growth Hybrid Securities Investment Fund (景順長城新興成長混合型證券投資基金)	19,613,794	RMB-denominated ordinary shares	19,613,794
China Life Insurance Company Limited – Traditional – General Insurance Products – 005L-CT001 Hu (中國人壽保險股份有限公司 – 傳統 – 普通保險產品 – 005L-CT001滬)	13,829,463	RMB-denominated ordinary share	13,829,463
Central Huijin Asset Management Ltd.	11,848,153	RMB-denominated ordinary shares	11,848,153
Industrial and Commercial Bank of China – SSE 50 Traded Open-ended Index Securities Investment Fund (上證 50 交易型開放式指數證券投資基金)	9,302,200	RMB-denominated ordinary shares	9,302,200
Bank of China Limited – Jingshun Great Wall Dingyi Hybrid Securities Investment Fund (LOF) (景順長城鼎益混合型證券投資基金(LOF))	8,650,436	RMB-denominated ordinary shares	8,650,436
Industrial and Commercial Bank of China – Huatai-Pinebridge CSI 300 Exchange Traded Open-ended Index Securities Investment Fund (華泰柏瑞滬深 300 交易型開放式指數證券投資基金)	6,429,185	RMB-denominated ordinary shares	6,429,185
Description of connected relationships or concerted actions of the above shareholders		The Company is not aware of any related party relationship among the abovementioned shareholders or whether they are parties acting in concert as defined in the Measures for the Administration of the Takeover of Listed Companies (《上市公司收購管理辦法》).	
Description of the top 10 shareholders and top 10 shareholders not subject to trading moratorium participating in margin trading and refinancing business (if any)		Nil.	

Notes:

1. The holdings of H-share shareholders were counted according to the number of shares in the register of members of the Company as maintained by the H-share registrar;
2. HKSCC Nominees Limited is the nominal holder of shares held by non-registered holder(s) of H shares of the Company; and
3. Hong Kong Securities Clearing Company Limited is the nominal holder of shares of the Company under the Shanghai Stock Connect.

### III. MAJOR FINANCIAL INFORMATION

Set out below is a summary of the unaudited financial information of the Group for the Reporting Period and nine months ended September 30, 2023 (the “**beginning of the year to the end of the Reporting Period**”) together with comparative changes of the corresponding period or at the end of last year:

#### (1) Major accounting data and financial indicators

Items	Reporting Period RMB	Increase/decrease for the Reporting Period compared with the corresponding period of last year (%)	Beginning of the year to the end of the Reporting Period RMB	Increase/decrease for the beginning of the year to the end of the Reporting Period compared with the corresponding period of last year
				(%)
Operating income	14,978,524,786.43	27.87	50,837,011,108.69	29.14
Net profit attributable to shareholders of the Company	1,340,639,136.96	94.22	5,206,229,345.02	12.49
Net profit attributable to shareholders of the Company, net of non-recurring profit and loss	1,336,674,118.70	103.90	5,191,150,357.25	13.26
Net cash flow from operating activities	N/A	N/A	13,442,904,588.11	N/A
Basic earnings per share (RMB/share)	0.6480	86.53	2.5165	6.79
Diluted earnings per share (RMB/share)	0.6480	86.53	2.5165	6.79
Return on weighted average on net assets (%)	2.58	Increased by 0.69 percentage point	10.23	Decreased by 3.88 percentage points
Items	As at the end of the Reporting Period RMB	As at the end of last year RMB	As at the end of last year RMB	Increase/decrease as at the end of the Reporting Period compared with the end of last year
				(%)
Total assets	79,181,916,251.95	75,907,603,880.98		4.31
Owner’s equity attributable to shareholders of the Company	52,611,941,210.35	48,573,400,985.54		8.31

## (2) Non-recurring profit and loss items and amounts

Items	Amount of the Reporting Period RMB	Amount from the beginning of the year to the end of the Reporting Period RMB
Profit/loss on disposal of non-current assets	1,474,625.27	1,086,570.72
Government grants included in the current profit and loss, except those are closely related to the Company's ordinary operations, conforming to the national policies and regulations, and those enjoyed persistently in line with certain standard ratings or rations	6,765,398.18	21,656,802.06
Non-operating income and expenses other than above items	-110,843.83	1,990,720.21
Less: Amount impacted by income tax	2,253,364.67	3,907,650.30
Affected amount of minority interest (after tax)	1,910,796.69	5,747,454.92
Total	<u>3,965,018.26</u>	<u>15,078,987.77</u>

## (3) Changes in key accounting data and financial indicators of the Company and the reasons

Items	Changes (%)	Main reasons
Net profit attributable to shareholders of the Company – the Reporting Period	94.22	During the Reporting Period, the Company strengthened revenue management, innovated cost control, formulated price flexibility application plans, actively adjusted marketing strategies, and improved category sales structure, so that the operating gross profit margin was gradually restored, net profit attributable to parent company increased significantly, and earnings per share also increased significantly year-on-year.
Net profit attributable to shareholders of the Company, net of non-recurring profit and loss – the Reporting Period	103.90	
Basic earnings per share – the Reporting Period	86.53	
Diluted earnings per share – the Reporting Period	86.53	
Net cash flow from operating activities – the beginning of the year to the end of the Reporting Period	N/A	During the Reporting Period, the Company focused on improving gross profit margin, reducing costs and increasing efficiency, so that the cash flow from operating activities increased significantly in the first three quarters.

#### (4) Financial statements

##### Consolidated balance sheet

As at September 30, 2023

Items	September 30, 2023 <i>RMB</i>	December 31, 2022 <i>RMB</i>
<b>Current assets:</b>		
Monetary funds	<b>33,862,446,628.19</b>	26,891,700,248.67
Deposit reservation for balance		
Lending funds		
Held-for-trading financial assets		
Derivative financial assets		
Notes receivables		
Accounts receivable	<b>123,722,684.74</b>	151,301,004.74
Receivables financing		
Prepayments	<b>759,437,761.24</b>	398,168,967.53
Premium receivable		
Reinsurance receivables		
Reinsurance contract reserves receivable		
Other receivables	<b>1,559,482,019.13</b>	862,360,771.43
Including: Interest receivable		
Dividend receivable	<b>1,500,000.00</b>	1,500,000.00
Holding for sale assets		
Inventories	<b>22,860,088,250.46</b>	27,926,480,059.82
Contract assets		
Assets held for sales		
Non-current assets due within one year		
Other current assets	<b>570,238,463.31</b>	975,469,345.23
<b>Total current assets</b>	<b>59,735,415,807.07</b>	57,205,480,397.42

**Consolidated balance sheet (Continued)**

As at September 30, 2023

<b>Items</b>	<b>September 30, 2023</b> <i>RMB</i>	<b>December 31, 2022</b> <i>RMB</i>
<b>Non-current assets:</b>		
Loans and advances to customers		
Debt investment		
Other debt investments		
Long-term receivables		
Long-term equity investment	<b>2,006,958,045.24</b>	1,970,098,942.80
Investment in other equity instruments		
Other non-current financial assets		
Investment properties	<b>1,312,583,815.46</b>	1,387,127,403.08
Fixed assets	<b>5,277,044,095.63</b>	5,434,009,081.35
Construction in progress	<b>2,619,394,025.16</b>	1,852,282,200.57
Productive biological assets		
Oil and gas assets		
Right-of-use assets	<b>2,285,019,426.87</b>	2,086,545,797.42
Intangible assets	<b>2,344,249,399.21</b>	2,458,039,051.77
Development costs	<b>1,858,301.89</b>	1,883,125.11
Goodwill	<b>822,460,130.18</b>	822,460,130.18
Long-term unamortized expenses	<b>1,080,861,822.51</b>	1,101,649,543.44
Deferred income tax assets	<b>1,160,010,986.21</b>	1,017,809,092.32
Other non-current assets	<b>536,060,396.52</b>	570,219,115.52
<b>Total non-current assets</b>	<b>19,446,500,444.88</b>	18,702,123,483.56
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<b>Total assets</b>	<b>79,181,916,251.95</b>	75,907,603,880.98
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**Consolidated balance sheet (Continued)**

As at September 30, 2023

<b>Items</b>	<b>September 30, 2023</b> <i>RMB</i>	<b>December 31, 2022</b> <i>RMB</i>
<b>Current liabilities:</b>		
Short-term borrowings	<b>369,505,595.29</b>	1,932,230,516.44
Borrowings from the central bank		
Borrowings from other banks and other financial institutions		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	<b>27,225,016.92</b>	18,837,660.14
Accounts payable	<b>6,115,087,058.70</b>	7,659,783,744.36
Advances from customers	<b>6,431,823.62</b>	13,107,915.47
Contract liabilities	<b>1,840,386,092.33</b>	1,506,148,726.58
Financial assets sold for repurchase		
Deposits from customers and interbanks		
Accounts payable to brokerage customers		
Proceeds from underwriting securities received on behalf of customers		
Employee benefits payable	<b>687,611,780.49</b>	408,975,837.49
Taxes payable	<b>3,625,046,152.40</b>	2,785,280,077.37
Other payables	<b>2,773,198,893.90</b>	2,453,942,799.80
Including: Interest payable		
Dividends payable	<b>2,098,825.30</b>	2,098,825.30
Handling charges and commissions payable		
Dividend payable for reinsurance		
Liabilities held for sale		
Non-current liabilities due within one year	<b>694,254,711.25</b>	675,351,319.83
Other current liabilities	<b>46,476,449.59</b>	26,665,642.47
<b>Total current liabilities</b>	<b>16,185,223,574.49</b>	17,480,324,239.95

**Consolidated balance sheet (Continued)**

As at September 30, 2023

Items	September 30, 2023 <i>RMB</i>	December 31, 2022 <i>RMB</i>
<b>Non-current liabilities:</b>		
Reserve fund for insurance contracts		
Long-term borrowings	<b>2,596,460,649.64</b>	2,508,975,000.00
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	<b>1,963,575,404.14</b>	1,737,678,893.82
Long-term payables		
Long-term employee benefits payable	<b>1,090,000.00</b>	1,090,000.00
Estimated liabilities		
Deferred income	<b>43,504,984.48</b>	3,615,876.62
Deferred income tax liabilities	<b>46,200,125.35</b>	48,508,138.38
Other non-current liabilities		
<b>Total non-current liabilities</b>	<b><u>4,650,831,163.61</u></b>	<u>4,299,867,908.82</u>
<b>Total liabilities</b>	<b><u><u>20,836,054,738.10</u></u></b>	<u><u>21,780,192,148.77</u></u>
<b>Owners' equity (or shareholders' equity):</b>		
Paid-in capital (or share capital)	<b>2,068,859,044.00</b>	2,068,859,044.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	<b>17,486,404,857.73</b>	17,486,404,857.73
Less: Treasury shares		
Other comprehensive income	<b>1,005,657,070.36</b>	518,656,117.83
Special reserves		
Surplus reserves	<b>1,050,985,921.87</b>	1,050,985,921.87
General risk provision		
Retained earnings	<b>31,000,034,316.39</b>	27,448,495,044.11
<b>Total owners' equity (or shareholders' equity) attributable to parent company</b>	<b><u>52,611,941,210.35</u></b>	<u>48,573,400,985.54</u>
Minority interests	<b>5,733,920,303.50</b>	5,554,010,746.67
<b>Total owners' equity (or shareholders' equity)</b>	<b><u>58,345,861,513.85</u></b>	<u>54,127,411,732.21</u>
<b>Total liabilities and owners' equity (or shareholders' equity)</b>	<b><u><u>79,181,916,251.95</u></u></b>	<u><u>75,907,603,880.98</u></u>

## Consolidated statements of profit or loss and other comprehensive income

For the nine months ended September 30, 2023

Items	The first three quarters of 2023 (January-September) <i>RMB</i>	The first three quarters of 2022 (January-September) <i>RMB</i>
<b>I. Total operating income</b>	<b>50,837,011,108.69</b>	39,364,425,189.10
Including: Operating income	<b>50,837,011,108.69</b>	39,364,425,189.10
Interest income		
Earned premium		
Fee and commission incomes		
<b>II. Total operating cost</b>	<b>43,862,113,989.89</b>	32,613,640,189.14
Including: Operating cost	<b>34,697,822,345.58</b>	27,075,689,487.97
Interest expenditures		
Fee and commissions expenses		
Cash surrender amount		
Net payments for insurance claims		
Net provision for insurance liability reserves		
Policy dividend expenses		
Reinsurance expenses		
Taxes and surcharges	<b>1,256,767,869.34</b>	936,246,131.92
Selling expenses	<b>6,939,869,844.75</b>	2,646,014,692.43
Administrative expenses	<b>1,539,699,489.92</b>	1,330,323,039.75
Research and development expenses	<b>9,779,717.25</b>	
Financial expenses	<b>-581,825,276.95</b>	625,366,837.07
Including: Interest expenses	<b>205,312,114.74</b>	149,328,376.03
Interest income	<b>642,634,229.13</b>	151,964,275.63
Add: other incomes	<b>21,656,802.06</b>	111,031,193.62
Investment income (loss is indicated with "-")	<b>46,926,719.17</b>	134,598,034.74
Including: Income from investment in associates and joint ventures	<b>46,869,245.46</b>	134,598,034.74
Income from derecognition of financial assets at amortized cost		

**Consolidated statements of profit or loss and other comprehensive income (Continued)**  
For the nine months ended September 30, 2023

Items	The first three quarters of 2023 (January-September) <i>RMB</i>	The first three quarters of 2022 (January-September) <i>RMB</i>
Exchange gain (loss is indicated with “-”)		
Net exposure hedging income (loss is indicated with “-”)		
Income from change of fair value (loss is indicated with “-”)		
Credit impairment loss (loss is indicated with “-”)	<b>3,760,660.76</b>	6,424,339.05
Asset impairment loss (loss is indicated with “-”)	<b>-477,708,231.66</b>	-334,763,361.81
Incomes of assets disposal (loss is indicated with “-”)	<b>1,086,570.72</b>	2,312,630.48
<b>III. Operating profit (loss is indicated with “-”)</b>	<b>6,570,619,639.85</b>	6,670,387,836.04
Add: non-operating income	<b>17,013,891.05</b>	5,546,676.22
Less: non-operating expenses	<b>15,023,170.84</b>	14,032,010.74
<b>IV. Total profit (total loss is indicated with “-”)</b>	<b>6,572,610,360.06</b>	6,661,902,501.52
Less: income tax expenses	<b>1,149,453,301.90</b>	1,140,718,188.65
<b>V. Net profit (net loss is indicated with “-”)</b>	<b>5,423,157,058.16</b>	5,521,184,312.87
(I) Classified by operating continuity		
1. Net profit from continuing operations (net loss is indicated with “-”)	<b>5,423,157,058.16</b>	5,521,184,312.87
2. Net profit from discontinuing operations (net loss is indicated with “-”)		
(II) Classified by ownership		
1. Net profits attributable to the shareholders of the parent company (net loss is indicated with “-”)	<b>5,206,229,345.02</b>	4,628,095,332.58
2. Gains or losses of minority interests (net loss is indicated with “-”)	<b>216,927,713.14</b>	893,088,980.29

**Consolidated statements of profit or loss and other comprehensive income (Continued)**  
For the nine months ended September 30, 2023

Items	The first three quarters of 2023 (January-September) <i>RMB</i>	The first three quarters of 2022 (January-September) <i>RMB</i>
<b>VI. Other comprehensive income, net of tax</b>	<b>485,588,866.21</b>	1,275,145,735.83
(I) Other comprehensive income attributable to owners of parent company, net of tax	<b>487,000,952.53</b>	1,270,131,453.93
1. Other comprehensive income that cannot be reclassified into profit or loss		
(1) Changes arising from re-measurement of the defined benefit plan		
(2) Other comprehensive income that cannot be reclassified into profit or loss under the equity method		
(3) Changes in fair value of other equity instrument investments		
(4) Changes in fair value of the enterprise's credit risk		
2. Other comprehensive income that will be re-classified into profit or loss	<b>487,000,952.53</b>	1,270,131,453.93
(1) Other comprehensive income that can be reclassified into profit or loss under the equity method		
(2) Changes in fair value of other debt investments		
(3) Amount of financial assets reclassified into other comprehensive income		
(4) Provision for impairment of credit in other debt investments		
(5) Cash flow hedging reserve		
(6) Exchange differences from translation of financial statements denominated in foreign currencies	<b>487,000,952.53</b>	1,270,131,453.93
(7) Others		
(II) Other comprehensive income attributable to minority interests, net of tax	<b>-1,412,086.32</b>	5,014,281.90
<b>VII. Total comprehensive income</b>	<b>5,908,745,924.37</b>	6,796,330,048.70
(I) Total comprehensive income attributable to owners of parent company	<b>5,693,230,297.55</b>	5,898,226,786.51
(II) Total comprehensive income attributable to minority shareholders	<b>215,515,626.82</b>	898,103,262.19
<b>VIII. Earnings per share:</b>		
(I) Basic earnings per share (RMB/share)	<b>2.5165</b>	2.3566
(II) Diluted earnings per share (RMB/share)	<b>2.5165</b>	2.3566

In case of business combinations involving enterprises under common control for the Reporting Period, the combined enterprises' net profit realized before the combination date was RMB0, and its net profit realized for the previous period was RMB0.

## Consolidated cash flow statement

For the nine months ended September 30, 2023

Items	The first three quarters of 2023 (January-September) <i>RMB</i>	The first three quarters of 2022 (January-September) <i>RMB</i>
<b>I. Cash flows from operating activities:</b>		
Cash received from sales of goods or rendering of services	<b>52,676,308,338.98</b>	41,463,789,290.19
Net increase in deposits from customers and placements from banks and other financial institutions		
Net increase in borrowings from the central bank		
Net increase in placements from other financial institutions		
Cash received for receiving premium of original insurance contract		
Net cash received from reinsurance business		
Net increase in deposits of the insured and investment		
Cash received from interests, fees and commissions		
Net increase in placements from banks and other financial institutions		
Net increase in funds from repurchase business		
Net cash received from acting sale of securities		
Tax refunds received	<b>510,768,382.53</b>	1,451,867,012.26
Other cash receipts related to operating activities	<b>1,979,631,196.19</b>	966,283,071.30
Sub-total of cash inflows from operating activities	<b>55,166,707,917.70</b>	43,881,939,373.75
Cash paid for goods purchased and services received	<b>31,520,826,198.90</b>	34,821,481,723.24
Net increase in loans and advances to customers		
Net increase in deposits in the central bank and other financial institutions		
Cash paid for claim settlements on original insurance contract		
Net increase in placements to banks and other financial institutions		
Cash paid for interests, fees and commissions		
Cash paid for policy dividends		
Cash paid to and for employees	<b>2,293,762,584.59</b>	1,849,248,522.28
Payments of all types of taxes	<b>4,157,113,343.60</b>	7,753,801,753.13
Other cash paid relating to operating activities	<b>3,752,101,202.50</b>	3,464,919,647.33
Sub-total of cash outflows from operating activities	<b>41,723,803,329.59</b>	47,889,451,645.98
Net cash flow from operating activities	<b>13,442,904,588.11</b>	-4,007,512,272.23

**Consolidated cash flow statement (Continued)**

For the nine months ended September 30, 2023

Items	The first three quarters of 2023 (January-September) <i>RMB</i>	The first three quarters of 2022 (January-September) <i>RMB</i>
<b>II. Cash flows from investment activities:</b>		
Cash received from the recovery of investments		
Cash received from acquisition of investment income	<b>2,100,000.00</b>	59,081,063.98
Net amount of cash received from disposal of fixed assets, intangible assets and other long-term assets	<b>267,804.25</b>	109,537.00
Net cash received from disposal of subsidiaries and other business units		
Other cash received relating to investing activities		
Subtotal of cash inflows from investment activities	<b>2,367,804.25</b>	59,190,600.98
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	<b>1,359,348,108.09</b>	2,132,398,433.96
Cash paid for investments		92,989,541.11
Net increase in pledge loans		
Net cash paid for acquisition of subsidiaries and other business units		
Other cash paid relating to investment activities	<b>736,760,066.00</b>	
Subtotal of cash outflows from investment activities	<b>2,096,108,174.09</b>	2,225,387,975.07
Net cash flows from investment activities	<b>-2,093,740,369.84</b>	-2,166,197,374.09
<b>III. Cash flows from financing activities:</b>		
Cash received from absorption of investments		16,120,679,888.61
Including: Cash received from subsidiaries absorbing investments from minority shareholders		39,200,000.00
Cash received from borrowings	<b>159,501,151.76</b>	
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities	<b>159,501,151.76</b>	16,120,679,888.61
Cash payments for settlement of debts	<b>1,562,891,992.12</b>	
Cash paid for distributing dividends and profits or paying interests	<b>1,769,063,295.25</b>	3,640,062,885.67
Including: Dividends and profits paid to minority shareholders by subsidiaries	<b>35,474,598.59</b>	702,141,508.27
Other cash payments relating to financing activities	<b>486,886,563.21</b>	374,864,287.68
Sub-total of cash outflows from financing activities	<b>3,818,841,850.58</b>	4,014,927,173.35
Net cash flows from financing activities	<b>-3,659,340,698.82</b>	12,105,752,715.26

**Consolidated cash flow statement (Continued)**

For the nine months ended September 30, 2023

Items	The first three quarters of 2023 (January-September) <i>RMB</i>	The first three quarters of 2022 (January-September) <i>RMB</i>
<b>IV. Effect of changes in foreign exchange rate on cash and cash equivalents</b>	<b>402,658,857.74</b>	683,037,828.37
<b>V. Net increase in cash and cash equivalents</b>	<b>8,092,482,377.19</b>	6,615,080,897.31
Add: opening balance of cash and cash equivalents	<b>25,762,143,186.64</b>	16,656,542,375.48
<b>VI. Closing balance of cash and cash equivalents</b>	<b>33,854,625,563.83</b>	23,271,623,272.79

This announcement is prepared in both Chinese and English. If there is any inconsistency or conflict between the English version and the Chinese version of this announcement, the Chinese version shall prevail.

By order of the Board  
**China Tourism Group Duty Free Corporation Limited**  
**Mr. WANG Xuan**  
*Chairman of the Board*

Beijing, the PRC  
October 26, 2023

*As at the date of this announcement, the members of the Board comprise Mr. WANG Xuan and Mr. CHEN Guoqiang as the executive directors, and Mr. GE Ming, Ms. WANG Ying and Mr. WANG Qiang as the independent non-executive directors.*