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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)**

## **INSIDE INFORMATION ANNOUNCEMENT IN RELATION TO THE SUCCESSFUL BIDDING FOR A PROJECT AND SIGNING OF THE AGREEMENTS BY A WHOLLY-OWNED SUBSIDIARY**

This announcement is made by China Tourism Group Duty Free Corporation Limited (the “**Company**”) pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rules 13.09(2)(a) and 13.25(1)(b) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Recently, the Company received a “Notification of Successful Bid” from Shanghai International Airport Co., Ltd. (“**Shanghai Airport**”), confirming that China Duty Free Group Co., Ltd. (中國免稅品(集團)有限責任公司) (“**CDF Group**”), a wholly-owned subsidiary of the Company, has been approved as the successful bidder for the relevant duty-free stores projects at Shanghai Pudong International Airport and Shanghai Hongqiao International Airport, and the Operation Rights Transfer Agreement for the Arrivals and Departures Duty-free Store Project at Shanghai Pudong International Airport (International Area of T2 Terminal and S2 Satellite Hall) and the Operation Rights Transfer Agreement for the Arrivals and Departures Duty-free Store Project at Shanghai Hongqiao International Airport (International Area of T1 Terminal) (collectively, the “**Agreements**”) have been entered into with Shanghai Airport and its holding subsidiary Shanghai Hongqiao International Airport Co., Ltd. (上海虹橋國際機場有限責任公司) (“**Hongqiao Airport Company**”), respectively.

### **KEY CONTENTS OF THE AGREEMENT**

**(I) Parties:** Shanghai International Airport Co., Ltd.

Shanghai Hongqiao International Airport Co., Ltd.

China Duty Free Group Co., Ltd. (中國免稅品(集團)有限責任公司) (a wholly-owned subsidiary of the Company)

## **(II) Location and Area of the Premises**

The premises at Shanghai Pudong International Airport (International Area of T2 Terminal and S2 Satellite Hall) for the duty-free project, with a total area of 9,630.98 square meters.

The premises at Shanghai Hongqiao International Airport (International Area of T1 Terminal) for the duty-free project, with a total area of 2,470.55 square meters as shown in the store survey.

## **(III) Term of Operation Rights Transfer:**

5+3 years, commencing from January 1, 2026 and ending on December 31, 2033 (the specific delivery date of each premise shall be notified in writing by Shanghai Airport and Hongqiao Airport Company 3 working days in advance upon written confirmation by all parties). The delivery date of each premise shall be subject to the actual delivery date, but the termination date of the Agreements shall both be December 31, 2033.

Wherein: Phase I: The term of operation rights transfer shall be 5 years, commencing from January 1, 2026 and ending on December 31, 2030. If the assessment is passed after the completion of the fourth year of performance under the Agreements, the Agreements shall be renewed for Phase II; otherwise, the Agreements shall be terminated. Phase II: The term of operation rights transfer shall be 3 years, commencing from January 1, 2031 and ending on December 31, 2033.

## **(IV) Fee Calculation Model**

The monthly actual fees shall be calculated under the “monthly fixed fee + monthly actual sales-based commission” model.

Specifically: Monthly actual fees = Monthly fixed fee + Monthly actual sales-based commission, where Monthly fixed fee = Annual fixed fee ÷ 12 = Monthly fixed fee (unit price) × Operating area;

Monthly actual sales-based commission =  $\Sigma$  (Monthly actual sales of each category × Commission rate for each category).

Specifically: For the premises at Shanghai Pudong International Airport (International Area of T2 Terminal and S2 Satellite Hall), the monthly fixed fee (unit price) is RMB3,090/m<sup>2</sup>/month, and the commission rates for each category range from 8% to 24%; for the premises at Shanghai Hongqiao International Airport (International Area of T1 Terminal), the monthly fixed fee (unit price) is RMB2,827/m<sup>2</sup>/month, and the commission rates for each category range from 8% to 22%. During the operation period, the annual fixed fee shall be adjusted from the fixed fee for the base year (2026) in accordance with the relevant formula.

## **(V) Other Terms**

- (1) The parties have unanimously agreed to continuously optimize the duty-free premise resources, introduce distinctive and high-quality products embodying outstanding Chinese traditional culture, including time-honored brands, cultural and creative products, and intangible cultural heritage products, so as to increase the sales of domestic products in the duty-free stores, launch online airport duty-free pre-ordering services and improve the shopping convenience and service experience for travellers.
- (2) The parties agree to establish a sales incentive mechanism to enhance the competitiveness of the duty-free business, with annual assessments. For any portion of the annual per capita spending exceeding the target value by a certain percentage or more, the commission on the excess sales shall be returned as a tiered reward. Shanghai Airport and Hongqiao Airport Company encourages CDF Group to introduce competitive new products and products with gross profit margins below the maximum commission rate for their respective categories. Upon approval by Shanghai Airport and Hongqiao Airport Company, the sales of such products shall be deducted from the relevant monthly category net sales, and the sales commission shall be calculated separately based on a certain proportion of the gross margin of each product and included in the relevant monthly product category sales commission.
- (3) Any party requiring amendments or changes to any provision of the Agreements shall notify the other party in writing, and such amendments or changes shall be confirmed by mutual agreement of the parties through the execution of a supplemental agreement. Upon signing, the supplemental provisions shall constitute a valid part of the Agreements. In the event of any inconsistency between the supplemental provisions and the Agreements, the supplemental agreement shall prevail.
- (4) The Agreements shall be executed upon signature and seal by authorized representatives of the parties and shall take effect upon receipt by Shanghai Airport and Hongqiao Airport Company of the performance bond submitted by CDF Group and the completion of signing of the Agreements by CDF Group with Shanghai Airport and Hongqiao Airport Company.

## **Project Operating Entity**

CDF Group has invested RMB102 million of its own funds together with Shanghai Airport to establish a duty-free joint venture, with CDF Group holding 51% and Shanghai Airport holding 49%. The duty-free joint venture will serve as the operating entity for the departure and arrival duty free stores at Shanghai Pudong International Airport (International Area of T2 Terminal and S2 Satellite Hall) and Shanghai Hongqiao International Airport (International Area of T1 Terminal).

## **EFFECT ON THE COMPANY**

Following the successful bidding for the project and signing of the Agreements, the Company's competitive advantages in core domestic airport channels will be further enhanced, which is conducive to satisfying the multi-level and diversified shopping needs of inbound and outbound travellers, enhancing diversified duty-free shopping experiences, and thereby promoting the high-quality development of the airport duty-free business. The smooth implementation of the above projects will have a positive impact on the Company's future operating performance.

## **RISK WARNING**

Due to the long implementation cycle of the aforesaid project, the actual performance process may be affected by unpredictable factors or force majeure, which may in turn lead to the risk of partial or full non-performance or termination of the contents of the Agreements. Investors are advised to make cautious decisions and be aware of investment risks.

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

Beijing, the PRC  
December 17, 2025

*As at the date of this announcement, the members of the Board comprise Mr. FAN Yunjun and Ms. LIU Kun as the non-executive Directors, Mr. CHANG Zhujun, Mr. WANG Yuehao and Mr. WANG Xuan as the executive Directors, and Mr. GE Ming, Ms. WANG Ying and Mr. WANG Qiang as the independent non-executive Directors.*