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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)

CONTINUING CONNECTED TRANSACTION ENTERING INTO 2026 FRAMEWORK AGREEMENT

2026 FRAMEWORK AGREEMENT

Given that the 2025 Framework Agreement will expire on December 31, 2025, in order to meet the daily operation and development needs as well as the related transaction management needs of the Group, the Board agreed to enter into the 2026 Framework Agreement with CTG at the twenty-seventh meeting of the fifth session of the Board held on December 30, 2025 and such agreement was entered into on the same date, pursuant to which the Group agreed to (1) purchase certain comprehensive services; and (2) lease the properties owned by CTG Group from CTG Group according to the actual needs of its own daily operation and office practices. Meanwhile, the Group agreed to (1) provide certain comprehensive services; and (2) lease the properties owned by the Group to CTG Group according to the actual needs of CTG Group's own daily operation and office practices.

IMPLICATIONS UNDER THE HONG KONG LISTING RULES

As at the date of this announcement, CTG, the Controlling Shareholder of the Company, held approximately 50.30% of the issued Shares of the Company and therefore is a connected person of the Company under the Hong Kong Listing Rules.

Certain Comprehensive Services Purchased by the Group from CTG Group

As the applicable percentage ratios in respect of the relevant annual cap exceed 0.1% but are less than 5%, the continuing connected transactions are therefore subject to the reporting, announcement and annual review requirements, but exempted from compliance with the independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

Certain Comprehensive Services Provided by the Group to CTG Group

As the applicable percentage ratios in respect of the relevant annual cap are all less than 0.1%, the continuing connected transactions are therefore fully exempted from compliance with the reporting, announcement, annual review and independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

Properties Leased by the Group from CTG Group

According to Hong Kong Financial Reporting Standard 16, the increased right-of-use asset to be recognised in relation to the properties leased by the Group from CTG Group under the 2026 Framework Agreement is expected to be RMB0, and therefore the Company expects that the properties leased by the Group from CTG will not constitute connected transactions under the Hong Kong Listing Rules. However, as the Company may reasonably estimate the categorical amount of daily related-party transactions for the current year, so as to fulfill the review procedures and make disclosure in accordance with the relevant rules of the Shanghai Stock Exchange, the Company has included the relevant details of all transactions involved under the 2026 Framework Agreement in this announcement.

Properties Leased by the Group to CTG Group

As the applicable percentage ratios in respect of the relevant annual cap are all less than 0.1%, the continuing connected transactions are therefore fully exempted from compliance with the reporting, announcement, annual review and independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company dated December 31, 2024 in relation to the 2025 Framework Agreement entered into between the Company and CTG.

Given that the 2025 Framework Agreement will expire on December 31, 2025, in order to meet the daily operation and development needs as well as the related transaction management needs of the Group, the Board agreed to enter into the 2026 Framework Agreement with CTG at the twenty-seventh meeting of the fifth session of the Board held on December 30, 2025 and such agreement was entered into on the same date, pursuant to which the Group agreed to (1) purchase certain comprehensive services; and (2) lease the properties owned by CTG Group from CTG Group according to the actual needs of its own daily operation and office practices. Meanwhile, the Group agreed to (1) provide certain comprehensive services; and (2) lease the properties owned by the Group to CTG Group according to the actual needs of CTG Group's own daily operation and office practices.

2026 FRAMEWORK AGREEMENT

The principal terms of the 2026 Framework Agreement are as follows:

Parties

1. the Company (on behalf of the Group)

2. CTG (on behalf of CTG Group), a connected person of the Company

Date of agreement

December 30, 2025

Term

For a term commencing from January 1, 2026 until December 31, 2026

Subject matter

The Group agreed to (1) purchase certain comprehensive services, including passenger transport services, marketing and management services, commissioned sales services, information technology services, property services, promotion and other services; and (2) lease the properties owned by CTG Group from CTG Group according to the actual needs of its own daily operation and office practices.

Meanwhile, the Group agreed to (1) provide certain comprehensive services, including construction consulting services, sales promotion services and other services, etc.; and (2) lease the properties owned by the Group to CTG Group according to the actual needs of CTG Group's own daily operation and office practices.

The relevant parties will enter into separate agreements to set out the specific terms and conditions of the services according to the principles and within the parameters provided for under the 2026 Framework Agreement.

Pricing principles

The pricing of certain comprehensive services under the 2026 Framework Agreement shall be determined according to the following principles and sequence:

(1) Where the transaction is subject to government pricing, such price shall be directly applicable;

(2) Where the transaction is subject to government-guided pricing, the transaction price shall be reasonably determined within the scope of the government-guided pricing;

(3) In addition to government pricing or government-guided pricing, where the transaction has a comparable independent third-party market price or rate, the transaction price shall be determined with reference to at least two comparable independent third-party transaction prices or rates;

(4) Where there is no comparable independent third-party market price for the transaction, the transaction price shall be determined with reference to the price of non-related party transactions between the related party and a third party independent of the related party; and

(5) Where there is neither an independent third-party market price nor an independent non-related party transaction price for reference, a reasonable composition of price, i.e. reasonable costs plus reasonable profits, shall be used as the basis for pricing. Reasonable profit margin shall be determined with reference to the weighted average full cost markup rate of comparable peer companies for the past three years.

The rentals from property leasing under the 2026 Framework Agreement shall be determined according to the following principles:

(1) With reference to the lease price between the lessor and an independent third party for a property situated in a similar location; and

(2) In the absence of any of the above prices or if the above prices are not comparable, with reference to market rentals of similar properties in similar areas by both parties by mutual agreement based on the principle of fairness.

HISTORICAL TRANSACTION AMOUNTS

Set out below are the historical transaction amounts of each of the continuing connected transactions under the 2026 Framework Agreement for the two years ended December 31, 2023 and 2024 and for the eleven months ended November 30, 2025:

	Historical amounts		
	For the year ended December 31,		**For the eleven months ended November 30,**
	2023	**2024**	**2025**
	(RMB million)	*(RMB million)*	*(RMB million)*
Certain comprehensive services purchased by the Group from CTG Group	158.8	138.9	108.5
Certain comprehensive services provided by the Group to CTG Group	5.5	2.6	3.4
Properties leased by the Group from CTG Group	5.7	12.3	8.6
Properties leased by the Group to CTG Group	5.0	9.9	8.9

Note: According to Hong Kong Financial Reporting Standard 16, the increased right-of-use asset recognised in relation to the properties leased by the Group from CTG Group under the 2025 Framework Agreement amounted to RMB3.57 million.

ANNUAL CAPS

Set out below are the annual caps for the year ending December 31, 2026 of each of the continuing connected transactions under the 2026 Framework Agreement:

	For the year ending December 31, 2026 *(RMB million)*
Certain comprehensive services purchased by the Group from CTG Group	250.0
Certain comprehensive services provided by the Group to CTG Group	10.0
Properties leased by the Group from CTG Group	15.0
Properties leased by the Group to CTG Group	25.0

Note: According to Hong Kong Financial Reporting Standard 16, the increased right-of-use asset to be recognised in relation to the properties leased by the Group from CTG Group under the 2026 Framework Agreement is expected to be RMB0.

In determining the annual caps under the 2026 Framework Agreement, the Company has considered: (1) historical transaction amounts; and (2) the expected increase in demand for relevant business cooperation based on the future business development needs of both parties, and in line with the principle of fully utilising the resource advantages of both parties to achieve synergistic development of business.

INTERNAL CONTROL POLICIES

The Company has adopted and will continue to adopt internal control measures to ensure that each specific continuing connected transaction will be conducted on normal commercial terms or better in accordance with the terms of the 2026 Framework Agreement to be entered into and on terms no less favourable than those offered by independent third parties. These internal control measures include the following:

The finance department and the Board's office of the Company will closely monitor the transaction amounts of the continuing connected transactions to ensure that the transaction amounts will not exceed the relevant annual caps; each specific agreement to be entered into by the Company shall be subject to the review and approval of the relevant departments of the Company in accordance with the Company's internal management system, including but not limited to each of the specific agreements originating departments, the procurement management department, the legal and risk control department, the audit department, the Board's office and the finance department, to ensure that each of the transactions complies with the pricing policies and the principal terms of the 2026 Framework Agreement.

The auditors and independent non-executive Directors of the Company will also conduct an annual review of the continuing connected transactions entered into by the Company, assessing whether they have been conducted in accordance with the pricing policies and whether the relevant annual caps have been exceeded, and as reported in the Company's annual report.

The audit and risk management committee of the Board supervises the internal audit department of the Company, which conducts an inspection on the implementation of material matters such as connected transactions at least every half-year and issues inspection reports for submission to the audit and risk management committee of the Board.

The Company complies with the relevant regulatory rules of the Hong Kong Stock Exchange, and in accordance with the Administrative Measures for Related Transactions of China Tourism Group Duty Free Corporation Limited (《中國旅遊集團中免股份有限公司關聯交易管理制度》), continues to improve the connected transaction management system, perfect the operation mechanism of connected transactions, and enhance the management level of connected transactions.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSACTIONS

The transactions under the 2026 Framework Agreement are carried out based on the Company's business characteristics and daily operational activities, and are in line with the actual needs of the Company's operation and development. The purpose of this connected transaction is to ensure the sustainability and effectiveness of the Company's operation, which is conducive to the reasonable allocation of resources based on the resource advantages of both parties, and efficiently conduct business related to daily operations. The pricing of the 2026 Framework Agreement has followed the principles of fairness, justice and equity, which is in line with the interests of both parties to the transaction, and does not harm the interests of the Company and other shareholders (especially the minority shareholders), and will not adversely affect the Company's independence and ability to continue as a going concern.

The Directors (including the independent non-executive Directors) consider that (i) the transactions contemplated under the 2026 Framework Agreement will be carried out in the ordinary and usual course of business of the Company and in the interest of the Company and its Shareholders as a whole; (ii) the terms of the 2026 Framework Agreement are on normal commercial terms and not less favourable than those of similar transactions with independent third parties and are fair and reasonable; and (iii) the annual caps of the transactions contemplated under the 2026 Framework Agreement for the year ending December 31, 2026 are fair and reasonable.

As Mr. FAN Yunjun serves as a director and general manager of CTG, and Ms. LIU Kun serves as the vice general manager of CTG, each of Mr. FAN Yunjun and Ms. LIU Kun has therefore abstained from voting on the relevant Board resolutions. Save as disclosed above, none of the Directors who attended the abovementioned Board meeting has a material interest in the transactions contemplated under the 2026 Framework Agreement.

IMPLICATIONS UNDER THE HONG KONG LISTING RULES

As at the date of this announcement, CTG, the Controlling Shareholder of the Company, held approximately 50.30% of the issued Shares of the Company and therefore is a connected person of the Company under the Hong Kong Listing Rules.

Certain Comprehensive Services Purchased by the Group from CTG Group

As the applicable percentage ratios in respect of the relevant annual cap exceed 0.1% but are less than 5%, the continuing connected transactions are therefore subject to the reporting, announcement and annual review requirements, but exempted from compliance with the independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

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As the applicable percentage ratios in respect of the relevant annual cap are all less than 0.1%, the continuing connected transactions are therefore fully exempted from compliance with the reporting, announcement, annual review and independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

INFORMATION OF PARTIES

CTG

CTG is the Controlling Shareholder of the Company.

CTG is a state-owned enterprise under the direct control and supervision of the Central SASAC. CTG Group is principally engaged in (i) travel services; (ii) travel investment and operations; (iii) travel retail; (iv) hotel operations; (v) travel finance; and (vi) strategic investment in the travel industry.

The Company

The Company is a subsidiary of CTG.

The Company is principally engaged in travel retail business with a focus on duty-free sales, and the main product categories include tobacco, wines & spirits, fragrances & cosmetics, watches & jewellery, apparel & bags, electronics, food, etc. In addition, the Company is also engaged in the investment and development of commercial complexes with duty-free business at its core.

DEFINITIONS

In this announcement, unless context otherwise requires, the following expressions have the following meanings:

"2025 Framework Agreement"	2025 daily related transaction framework agreement dated December 31, 2024 entered into between the Company and CTG
"2026 Framework Agreement"	2026 daily related transaction framework agreement dated December 30, 2025 entered into between the Company and CTG
"A Share(s)"	domestic share(s) issued by the Company, with a nominal value of RMB1.00 each, which is/are listed on the Shanghai Stock Exchange and traded in RMB
"Board"	the board of Directors
"Central SASAC"	State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會)
"Company"	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 PRC with limited liability whose A Shares are listed on the Shanghai Stock Exchange (stock code: 601888) and H Shares are listed on the Hong Kong Stock Exchange (stock code: 1880)
"connected person(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"Controlling Shareholder"	has the meaning ascribed to it under the Hong Kong Listing Rules and unless the context otherwise requires, refers to CTG
"CTG"	China Tourism Group Co., Ltd. (中國旅遊集團有限公司), a limited liability company incorporated in the PRC on January 3, 1987, which is a state-owned enterprise under the control and supervision of the Central SASAC, the Controlling Shareholder of our Company

"CTG Group"	CTG together with its subsidiaries
"Group"	the Company and its subsidiaries
"H Share(s)"	ordinary share(s) issued by the Company with a nominal value of RMB1.00 each, which is/are listed on the Hong Kong Stock Exchange and overseas listed foreign share(s) traded in Hong Kong dollars
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended from time to time
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"PRC"	the People's Republic of China
"percentage ratio"	has the meaning ascribed to it under the Hong Kong Listing Rules
"RMB"	Renminbi, the lawful currency of the PRC
"Shanghai Stock Exchange"	Shanghai Stock Exchange
"Share(s)"	comprising A Share(s) and H Share(s)
"%"	Percentage

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

Beijing, the PRC
December 30, 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.