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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)

**(1) DISCLOSEABLE TRANSACTION IN RELATION TO
THE ACQUISITION OF DFS' GREATER CHINA RETAIL BUSINESS;
(2) FURTHER COLLABORATIONS WITH LVMH;
AND
(3) SUBSCRIPTION OF SHARES BY LVMH AND THE MILLER FAMILY**

SOLE FINANCIAL ADVISOR



THE MASTER AGREEMENT

On January 19, 2026, China Duty Free International Limited (the “**Purchaser**”), an indirect wholly-owned subsidiary of China Tourism Group Duty Free Corporation Limited (the “**Company**”), entered into an agreement (the “**Master Agreement**”) with DFS Venture Singapore (Pte) Limited (“**DFS SG**”) and DFS Group Limited (“**DFS HK**”, and together with DFS SG, the “**Sellers**”, both of which are ultimately owned by LVMH and the Miller Family), pursuant to which (i) the Sellers agreed to sell, and the Purchaser agreed to purchase, all of the issued share capital of the Target Company (the “**Share Acquisition**”), and (ii) DFS HK agreed to sell, and the Purchaser agreed to purchase, the Business by way of asset transfer (the “**Asset Acquisition**”, and together with the Share Acquisition, the “**Acquisitions**”).

THE SUBSCRIPTION AGREEMENTS

On January 19, 2026, the Company entered into two subscription agreements (the “**Subscription Agreements**”) with Delphine SAS (which is an indirect wholly-owned subsidiary of LVMH) and Shoppers Holdings HK Limited (which is an indirect wholly-owned subsidiary of The Mountain Trust Company acting in its capacity as the licensed trustee for a private family trust of which Mr. Robert Warren Miller and his family (the “**Miller Family**”) are the beneficiaries) respectively, pursuant to which, conditional on the Closing of the Acquisitions, each of Delphine SAS and Shoppers Holdings HK Limited (together, the “**Subscribers**”) will subscribe for such number of new H Shares to be issued by the Company as may be notified by each of them prior to Closing to the Company (which shall not be more than 7,330,100 new H Shares for Delphine SAS and 4,637,400 new H Shares for Shoppers Holdings HK Limited) (the “**Subscription Shares**”) (the “**Subscription**”).

THE MEMORANDUM OF UNDERSTANDING

On January 19, 2026, the Company entered into a memorandum of understanding (the “**MOU**”) with LVMH (which will come into effect upon Closing of the Acquisitions), pursuant to which both parties aim to set up a strategic cooperation notably in the retail sector where the strategies of both parties are aligned and in line with the current business model of the LVMH *Maisons*. This cooperation will offer the Company and LVMH opportunities to leverage their respective strengths and forge further collaborations in Greater China to achieve mutual benefits, e.g. in the areas of product sales, store establishment, brand promotion, cultural communication, travel services or customer experience.

HONG KONG LISTING RULES IMPLICATIONS

As the highest of the applicable percentage ratios calculated under Rule 14.07 of the Hong Kong Listing Rules regarding the Acquisitions are more than 5% but less than 25%, the Acquisitions constitute disclosable transactions of the Company under the Hong Kong Listing Rules and are subject to the reporting and announcement requirements under Chapter 14 of the Hong Kong Listing Rules.

1. INTRODUCTION

On January 19, 2026, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Master Agreement with the Sellers, pursuant to which (i) the Sellers agreed to sell, and the Purchaser agreed to purchase, all of the issued share capital of the Target Company, and (ii) DFS HK agreed to sell, and the Purchaser agreed to purchase, the Business by way of asset transfer.

On January 19, 2026, the Company entered into the Subscription Agreements respectively with each of the Subscribers, pursuant to which, conditional on the Closing of the Acquisitions, each of the Subscribers will subscribe for such number of new H Shares to be issued by the Company as may be notified by each of them prior to Closing to the Company (which shall not be more than 7,330,100 new H Shares for Delphine SAS and 4,637,400 new H Shares for Shoppers Holdings HK Limited).

On January 19, 2026, the Company entered into the MOU with LVMH (which will come into effect upon Closing of the Acquisitions), pursuant to which both parties aim to set up a strategic cooperation notably in the retail sector where the strategies of both parties are aligned and in line with the current business model of the LVMH *Maisons*. This cooperation will offer the Company and LVMH opportunities to leverage their respective strengths and forge further collaborations in Greater China to achieve mutual benefits, e.g. in the areas of product sales, store establishment, brand promotion, cultural communication, travel services or customer experience.

China Galaxy International Securities (Hong Kong) Co., Ltd. acted as the sole financial advisor to the Company with respect to the Acquisitions and the Subscription.

2. PRINCIPAL TERMS OF THE MASTER AGREEMENT

Set out below are the principal terms of the Master Agreement:

Date	January 19, 2026
Parties	China Duty Free International Limited (as the purchaser) DFS SG and DFS HK (as the sellers) The Company confirms that, to the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, each of DFS SG, DFS HK and their ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.
Subject matter	The Share Acquisition and the Asset Acquisition, in accordance with the terms of the Master Agreement.
Consideration	The aggregate consideration for the Target Shares and the Business (the “ Acquisition Price ”) shall be the amount that results from taking the aggregate enterprise value of the Target Shares and the Business, being USD400 million, and making customary adjustments for cash, financial debt and working capital as well as the scope of certain key assets held by the Target Business at Closing, provided that the Acquisition Price shall not exceed USD395,000,000.
Pre-Closing obligations	Between the date of the Master Agreement and Closing, the Purchaser and the Sellers shall complete certain customary pre-Closing actions, including (i) obtaining certain third party consents for the transfer of certain assets and liabilities, (ii) completing certain carve-outs of out-of-scope assets and liabilities from the Target Company, and (iii) cooperating to plan for the transition of the Target Business on Closing.

Closing Closing of the Acquisitions shall be conditional on the delivery by each of the parties of certain customary Closing deliverables, and no material adverse event having occurred on or before Closing.

Payment terms The Acquisition Price shall be funded by internal resources, and settled in cash as follows:

- (i) at Closing, the Purchaser shall pay an amount equal to the Sellers' good faith estimate of the Acquisition Price; and
- (ii) within five (5) Business Days of the date on which the closing statements with respect to the Target Business have been agreed by the Sellers and the Purchaser, the Purchaser shall pay the Sellers any shortfall in the price paid at Closing (or, as the case may be, the Sellers shall pay to the Purchaser any excess in the price paid at Closing).

Closing Date Closing shall take place on the date falling two (2) months after the date of the Master Agreement (or if such date is not a Business Day, on the immediately following Business Day), unless the Sellers send a written notice to the Purchaser (no later than the date falling 6 weeks after the date of the Master Agreement) to postpone the Closing Date (the "**Postponing Notice**").

If a Postponing Notice is given by the Sellers, Closing shall take place on such date as the Sellers may further notify in writing to the Purchaser, provided the new Closing Date shall be no later than the Long Stop Date; and if no further notice of a new Closing date is given by the Sellers, Closing shall take place on the Long Stop Date.

Protective Covenants The Sellers have given customary non-compete undertakings in respect of engaging in any competing business in Greater China.

3. BASIS OF CONSIDERATION

The Acquisition Price was determined after arm's length negotiations between the parties and shall be the aggregate enterprise value of the Target Business, subject to the abovementioned customary adjustments. The enterprise value of the Target Business was determined based on the financial conditions and performance of the Target Business, including historical operating results and recovery trends; the strategic rationale and synergies as set out in the section headed "5. REASONS FOR AND BENEFITS OF THE ENTRY INTO THE MASTER AGREEMENT"; prevailing market and industry conditions such as tourism flows and visitor levels in Hong Kong and Macau, cross-border consumption patterns, and performance benchmarks of comparable businesses; as well as the macroeconomic and regulatory environment in Hong Kong and Macau and anticipated growth in the Greater Bay Area.

4. VALUATION OF THE TARGET BUSINESS

In connection with the Acquisitions, the Company has engaged the Valuer to prepare the Valuation Report in accordance with the laws of the PRC and the relevant rules applicable to state-owned enterprises. Based on the Valuation Report, the value of the Macau Stores and the HK Stores adopting the market approach on the Valuation Reference Date (i.e. 30 September 2025) is set out below.

	Appraisal value (RMB in ten thousand)	Appraisal value (USD in ten thousand)*
Macau Stores	263,777.53	37,123.01
HK Stores	49,598.27	6,980.26
Total	313,375.80	44,103.27

* *Converted at the central parity rate of 7.1055 for USD to RMB, as published by the Monetary Policy Department of the People's Bank of China on the Valuation Reference Date.*

In selecting the appropriate valuation approach, the Valuer considered the appropriateness of three generally accepted valuation approaches, namely the market approach, income approach and asset-based approach.

The valuation subject operates in the travel retail industry, and all the stores are leased properties. In terms of book asset composition, it is a typical asset-light enterprise. It possesses numerous intangible resources (such as its innovative business model, marketing team, and operating qualifications) that are difficult to individually identify and quantify in terms of value. Consequently, the asset-based approach cannot comprehensively and reasonably reflect the Target Business's value, and therefore, the asset-based approach was not adopted. The income approach relies on forecasts of the stores' future sustainable operations and cash flows. Such financial forecasts are subject to significant inherent subjectivity and uncertainty. Furthermore, as the income approach utilizes a Discounted Cash Flow model, it places a heavy reliance on the capitalization of future earnings, while offering only a limited reflection of the current trading environment, liquidity, and transaction friction. In contrast, the market approach is grounded in market pricing data. Transaction prices inherently reflect factors such as industry competition, market volatility, and operational uncertainty. Consequently, the market approach yields a relatively prudent valuation result that more accurately represents fair market value under prevailing market conditions.

Based on factors such as the purpose of the valuation, market conditions, and the specific conditions of the valuation subject itself, the market approach was adopted for this valuation.

4.1. Market Approach

The valuation was conducted using the market approach, specifically the Guideline Public Company Method. This approach was selected as the Target Business operates in the travel retail industry where there is sufficient market data from comparable listed companies to derive a reliable valuation.

4.2. Selection of Comparable Companies

To identify companies that are comparable to the valuation subject, the Valuer has selected comparable companies based on the following criteria: (1) the selected company must have been listed on a recognized stock exchange for at least three years; (2) the selected company must operate primarily in the retail sector; and (3) the selected company must have business operations, product types, and geographical presence (in Hong Kong, Macau and the PRC) similar to the valuation target.

Based on the above criteria, the Valuer has selected four comparable companies. Descriptions of their business operations are summarized below:

1. **CTG DUTY-FREE (1880.HK):** The largest duty-free operator in China and a global leader in travel retail. Its business covers duty-free and duty-paid merchandise (cosmetics, fashion, jewellery) with a significant network in Hainan, Hong Kong, Macau, and major airports.
2. **Chow Tai Fook (1929.HK):** A leading jewellery retailer with an extensive retail network in Mainland China, Hong Kong, and Macau. It possesses strong brand influence and a mature direct-sales network.
3. **Sa Sa International (0178.HK):** A leading cosmetics retailing group in Asia. Hong Kong and Macau are its core markets. It shares high sensitivity to tourism flows and cross-border consumption patterns with the Target Business.
4. **Dickson Concepts (0113.HK):** A comprehensive retailer of luxury goods (watches, jewellery, fashion). It has a strong presence in Hong Kong and Macau and maintains long-term relationships with international luxury brands.

4.3. Valuation of the Macau Stores

The Macau Stores operate in the travel retail sector and possess a relatively mature business model, with its profitability primarily characterized by operating profit. EBITDA effectively reflects the business's ability to generate operating cash flow after eliminating the effects of differences in capital structure, depreciation and amortization policies, and income tax. Furthermore, the EV (enterprise value)/EBITDA multiple is widely applied in M&A transactions and capital market pricing within the retail industry. Data regarding comparable companies and transactions is relatively abundant, providing a high degree of market verifiability. Therefore, for this valuation, the profit-based multiple, EV (enterprise value)/EBITDA, was selected as the specific valuation metric for the market approach.

EV/EBITDA multiples of the selected comparable companies (after adjustments)

Comparable Companies	CTG DUTY-FREE (1880.HK)	Chow Tai Fook (1929.HK)	Sa Sa International (0178.HK)	Dickson Concepts (0113.HK)
EV/EBITDA	18.42	21.00	12.53	6.23

Based on the audited financial information of the Macau Stores as at the Valuation Reference Date, adjustments based on its non-operating assets and liabilities and discount for lack of marketability (calculated based on the BS option pricing model), the valuation of the Macau Stores (calculated based on below formula) is set out in the table below.

Valuation = (EBITDA x EV/EBITDA multiple – Interest-bearing Debt + Net Non-operating Assets) x (1 – Discount for lack of marketability)

Parameters with respect to the Macau Stores	RMB in ten thousand (as applicable)
EBITDA of the Macau Stores	42,848.91
EV (enterprise value)/EBITDA multiple	14.54
Interest-bearing Debt	0
Discount for lack of marketability	26.00%
Net Non-operating Assets	-266,724.57
Valuation	263,777.53

4.4. Valuation of the HK Stores

The HK Stores are a travel retail operation. However, influenced by factors such as changes in the market environment and operational adjustments, it has not achieved stable profitability in the past two years. The valuation results are highly sensitive to short-term profit fluctuations, leading to insufficient comparability and stability. Under these circumstances, adopting the EV/Sales multiple, which is based on revenue scale, is more conducive to reflecting the HK Stores' current operational scale, market share capability, and business sustainability.

The EV/Sales multiple has a relatively broad basis of application in the valuation of retail enterprises that have not yet achieved stable profitability or are in a stage of operational recovery. Data from comparable companies is relatively sufficient, and market verifiability is strong, which can, to a certain extent, avoid the distortion of valuation results caused by short-term profit fluctuations. Therefore, for this valuation, EV/Sales is selected as the value multiple for the HK Stores under the market approach.

EV/Sales multiples of the selected comparable companies (after adjustments)

Comparable Companies	CTG DUTY-FREE (1880.HK)	Chow Tai Fook (1929.HK)	Sa Sa International (0178.HK)	Dickson Concepts (0113.HK)
EV/Sales	2.20	2.25	0.56	0.98

Based on the audited financial information of the HK Stores as at the Valuation Reference Date, adjustments based on its non-operating assets and liabilities and discount for lack of marketability (calculated based on the BS option pricing model), the valuation of the HK Stores (calculated based on below formula) is set out in the table below.

Valuation = (Sales x EV/Sales multiple – Interest-bearing Debt + Net Non-operating Assets) x (1 – Discount for lack of marketability)

Parameters with respect to the HK Stores	RMB in ten thousand (as applicable)
Sales of the HK Stores	93,675.18
EV (enterprise value)/Sales multiple	1.50
Interest-bearing Debt	0
Discount for lack of marketability	26.00%
Net Non-operating Assets	-73,134.45
Valuation	49,598.27

4.5. Basis of Valuation and Principal Assumptions Adopted in the Valuation Report

In conducting the valuation, the Valuer had made the following valuation assumptions:

- (i) Assets can be freely bought and sold in a fully competitive market, and their price depends on the independent value judgment of the assets by both the buyer and seller under specific market supply conditions.
- (ii) The business activities of an operating entity can continue uninterrupted, and that the entity's business activities will not be suspended or terminated within the foreseeable future.
- (iii) Assets will continue to be used at their original location or original installation site.
- (iv) Assets will continue to be used according to their current usage.
- (v) There will be no major changes in the macro-political, economic, and social environment of the location where the target operates.

- (vi) There will be no major fluctuations in exchange rates, interest rates, tax burdens, inflation, population, or industrial policies.
- (vii) There will be no major changes in the current laws, administrative regulations, policies, and socio-economic environment applicable to the Target Business.
- (viii) The market and technology of the industry and field in which the Target Business operates are in a state of normal development, with no major market or technological disruptions occurring.
- (ix) The Target Business's main operating assets can be used effectively, and there will be no situations of ineffective utilization such as idleness.
- (x) There will be no major changes in the Target Business's human resources and management team, and the current business model will be maintained for continued operation.
- (xi) The accounting policies to be adopted by the Target Business in the future are basically consistent in material aspects with the accounting policies adopted when compiling this report.
- (xii) The materials provided by the Company and relevant parties are true, legal, and complete.
- (xiii) There are no other force majeure factors causing a major impact on the Target Business's operations.

5. REASONS FOR AND BENEFITS OF THE ENTRY INTO THE MASTER AGREEMENT

Through the Acquisitions, the Company will acquire DFS's travel retail stores in Hong Kong and Macau as well as intangible assets encompassing the DFS brand for exclusive use in Greater China. This move will further expand the Company's service network across the Greater Bay Area, leveraging its industry leadership, integrating high-quality travel retail networks, and establishing the Group's dominant position in the regional travel retail market, while relying on the advantages of Hong Kong and Macau as gateways to promote the export of premium domestic goods, aiming to build a platform for promoting China-chic brands globally and establish an international business mid-platform. As a listed company controlled by a central state-owned enterprise, the Company remains committed to providing high-quality travel retail experiences to both domestic and international tourists, proactively fulfilling its responsibility as a central state-owned enterprise to support the high-quality development of the retail economy in Hong Kong and Macau. The Acquisitions represent a significant step in accelerating the Company's international business layout and actively implementing the Greater Bay Area Strategy and the "China-chic Brands Going Global" strategy.

The Board (including the independent non-executive Directors) is of the view that the terms of the Master Agreement are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

6. HONG KONG LISTING RULES IMPLICATIONS OF THE ENTRY INTO THE MASTER AGREEMENT

As the highest of the applicable percentage ratios calculated under Rule 14.07 of the Hong Kong Listing Rules regarding the Acquisitions are more than 5% but less than 25%, the Acquisitions constitute disclosable transactions of the Company under the Hong Kong Listing Rules and are subject to the reporting and announcement requirements under Chapter 14 of the Hong Kong Listing Rules.

7. PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENTS

Set out below are the principal terms of the Subscription Agreements:

Date	January 19, 2026
Issuer	The Company
Subscribers	Delphine SAS (which is an indirect wholly-owned subsidiary of LVMH) and Shoppers Holdings HK Limited (which is an indirect wholly-owned subsidiary of The Mountain Trust Company acting in its capacity as the licensed trustee for a private family trust of which the Miller Family are the beneficiaries)

To the best of the Company's knowledge, information and belief, having made all reasonable enquiries and as at the date of this announcement, each of the Subscribers and their ultimate beneficial owners are third parties independent of and not connected persons of the Company.

Subject matter	Conditional on the Closing of the Acquisitions, each of Delphine SAS and Shoppers Holdings HK Limited will subscribe for such number of new H Shares to be issued by the Company as may be notified by each of them to the Company (which shall not be more than 7,330,100 new H Shares for Delphine SAS and 4,637,400 new H Shares for Shoppers Holdings HK Limited). The Subscription Shares shall be new H Shares with a nominal value of RMB1.00 each in the share capital of the Company.
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The Subscription Shares, when issued and fully paid, shall rank pari passu in all respects with the other H Shares in issue on or prior to the Subscription Completion Date, including the right to receive all dividends and other distributions declared, made or paid on or after the Subscription Completion Date.

Subscription Price	The Subscription Price of HKD77.21 per Subscription Share represents:
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- (i) a discount of approximately 11.66% to the closing price of HKD87.40 per H Share as quoted on the Hong Kong Stock Exchange on January 19, 2026, being the date of the Subscription Agreements;

- (ii) a discount of approximately 8.35% to the average of the closing prices of approximately HKD84.24 per H Share as quoted on the Hong Kong Stock Exchange for the last five trading days immediately before January 19, 2026, being the date of the Subscription Agreements; and
- (iii) the same as the average of the closing prices of approximately HKD77.21 per H Share as quoted on the Hong Kong Stock Exchange for the last 30 trading days immediately before January 19, 2026, being the date of the Subscription Agreements.

The aggregate consideration for the Subscription Shares shall be no more than HKD924 million and shall be settled by the Subscribers on the applicable Subscription Completion Date.

The Subscription Price has been negotiated and arrived at on an arm's length basis between the Company and the Subscribers with reference to, among others, the current market conditions and the market price of the H Shares.

Lock-up Undertakings

Each of the Subscribers is subject to a lock-up over the Subscription Shares for one (1) year following their respective Subscription Completion Date.

Conditions Precedent

Completion of the Subscription shall be conditional upon the following conditions ("**Subscription Conditions**") being satisfied:

- (i) the Listing Committee of the Hong Kong Stock Exchange having granted the listing of, and permission to deal in, the Subscription Shares, and such approval, permission or waiver having not been revoked prior to Completion;
- (ii) the delivery of a copy of the board resolutions of the Company approving the Subscription and the transactions contemplated thereunder to the Subscribers; and
- (iii) the Closing of the Acquisitions having occurred.

The above conditions cannot be waived by any party. If any of the above conditions have not been fulfilled on or before the Long Stop Date (or such later date as may be agreed by the Company and the Subscribers in writing), the Subscription Agreements shall lapse immediately thereafter and be of no further effect.

Completion

Subject to satisfaction of all of the Subscription Conditions, Completion of the Subscription by Delphine SAS shall take place on the Closing Date, and completion of the Subscription by Shoppers Holdings HK Limited shall take place on the date falling ten (10) Business Days after the Closing Date (each such completion date, the "**Subscription Completion Date**")

8. GENERAL MANDATE

The Subscription Shares will be allotted and issued pursuant to the General Mandate granted to the Board at the 2025 first extraordinary general meeting held on 24 November 2025. Under the General Mandate, the Board is allowed to allot and issue up to 413,771,808 A Shares and/or H Shares. As at the date of this announcement, no new H Shares have been issued under the General Mandate and the number of Subscription Shares is within the scope of the General Mandate. The Subscription is therefore not subject to Shareholders' approval.

9. APPLICATION FOR LISTING

The Company will apply to the Listing Committee of the Hong Kong Stock Exchange for the listing of and the permission to deal in, the Subscription Shares on the Hong Kong Stock Exchange.

10. EQUITY FUND RAISING ACTIVITY IN THE PAST 12 MONTHS

The Company has not conducted any fundraising activity on any issue of equity securities in the past 12 months preceding the date of this announcement.

11. EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming (i) each of the Subscribers subscribes for the maximum number of Subscription Shares under the respective Subscription Agreement, and (ii) there is no change in the share capital of the Company from the date of the Subscription Agreements to the Subscription Completion Date save for the allotment and issue of the Subscription Shares, the shareholding structure of the Company as at the date of this announcement and immediately after the completion of the Subscription Agreements are as follows:

Shareholders	Class of Shares	As at date of this announcement		Immediately after the Completion of the Subscription	
		No. of Shares	Approx %	No. of Shares	Approx % ^{Note 1}
CTG	A Shares	1,040,642,690	50.30%	1,040,642,690	50.01%
Other A Shareholders	A Shares	911,832,854	44.07%	911,832,854	43.82%
Other H Shareholders	H Shares	116,383,500	5.63%	116,383,500	5.59%
Delphine SAS	H Shares	0	0%	7,330,100	0.35%
Shoppers Holdings HK Limited	H Shares	0	0%	4,637,400	0.22%
Total		2,068,859,044	100%	2,080,826,544	100%

Note 1: Any differences between totals and sum of components are due to rounding.

12. MEMORANDUM OF UNDERSTANDING

On January 19, 2026, the Company entered into a memorandum of understanding with LVMH (which will come into effect upon Closing of the Acquisitions), pursuant to which both parties aim to set up a strategic cooperation notably in the retail sector where the strategies of both parties are aligned and in line with the current business model of the LVMH *Maisons*. This cooperation will offer the Company and LVMH opportunities to leverage their respective strengths and forge further collaborations in Greater China to achieve mutual benefits, e.g. in the areas of product sales, store establishment, brand promotion, cultural communication, travel services or customer experience.

13. REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Subscription represents a complementary investment by LVMH and the Miller Family, who will participate in a capital increase of the Company by subscribing to newly issued H Shares. This subscription amount represents only a small part of their proceeds from the Acquisitions and will, upon completion of the Subscription, result in LVMH and the Miller Family collectively holding approximately 0.57% of the Company's total share capital.

The Directors consider that the terms of the Subscription Agreements were entered into on normal commercial terms after arm's length negotiations and the terms therein are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

If the Subscribers subscribe for the maximum number of Subscription Shares under the Subscription Agreements, the gross proceeds of the Subscription will amount to approximately HKD924 million. After deducting the relevant expenses, the estimated net proceeds from the issue of the Subscription Shares will amount to a maximum of approximately HKD924 million. The net price for each Subscription Share is estimated to be approximately HKD77.21. The Company intends to use the net proceeds to replenish the capital of the Company and support the Company's domestic and overseas business development.

14. INFORMATION OF RELEVANT 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.

China Duty Free International Limited

China Duty Free International Limited is a company incorporated in Hong Kong with limited liability. It is an indirect wholly-owned subsidiary of the Company, primarily engaged in the travel retail business.

DFS SG and DFS HK

DFS SG is a company incorporated under the laws of Singapore with limited liability, and DFS HK is a company incorporated under the laws of Hong Kong with limited liability and a subsidiary of DFS SG.

DFS SG and DFS HK are subsidiaries of DFS Holdings Limited, a global travel retail business operator. The ultimate beneficial owners of DFS SG and DFS HK are LVMH and the Miller Family.

LVMH

LVMH is a Société Européenne governed by French law, the shares of which are listed on Euronext Paris. LVMH is principally engaged in the luxury goods business and owns various renowned and exceptional brands, with operations spanning six major sectors: wines & spirits, fashion & leather goods, perfumes & cosmetics, watches & jewellery and selective retailing.

The Company confirms that, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, LVMH and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

Delphine SAS

Delphine SAS is a société par actions simplifiée governed by French law. It is an investment holding company and an indirect wholly-owned subsidiary of LVMH.

Shoppers Holdings HK Limited

Shoppers Holdings HK Limited is a private company incorporated under the laws of Hong Kong. It is an investment holding company and an indirect wholly-owned subsidiary of The Mountain Trust Company acting in its capacity as the licensed trustee for a private family trust of which the Miller Family are the beneficiaries.

Pro Forma Financials of the Target Business

The following table sets out the audited pro forma financial information of the Target Company (assuming that the carve-outs of out-of-scope assets and liabilities have been completed) and the Business, for the purpose of the Acquisitions:

	The financial year ended on December 31, 2023 <i>RMB million (audited)</i>	The financial year ended on December 31, 2024 <i>RMB million (audited)</i>	The 9 months ended on September 30, 2025 <i>RMB million (audited)</i>
Net Profit before tax	1,103.31	141.51	151.11
Net Profit after tax	965.15	127.56	133.40

The audited pro-forma book value of the Target Company (assuming that the carve-outs of out-of-scope assets and liabilities have been completed) and the Business as at September 30, 2025 was approximately RMB173.92 million.

The financial results of the Target Business will be consolidated into the Company's financial statements.

15. WARNINGS

Shareholders and potential investors of the Company should note that Closing of the Acquisitions is subject to the fulfilment (or waiver, if applicable) of certain Closing deliverables and conditions under the Master Agreement and therefore Closing may or may not take place. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

16. DEFINITIONS

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

“A Share(s)”	ordinary shares issued by the Company, with a nominal value of RMB1.00 each, which is/are listed on the Shanghai Stock Exchange and domestic share(s) traded in RMB
“Board”	the board of directors of the Company
“Business”	the travel retail business in Hong Kong conducted by DFS HK (including intangible assets in the Greater China region)
“Business Day”	a day other than a Saturday or Sunday or public holiday in Macau, Hong Kong and Paris on which banks are open in Macau, Hong Kong and Paris for general commercial business

“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)
“Closing”	closing of the Acquisitions under the Master Agreement
“Closing Date”	the date on which Closing takes place
“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)
“Completion”	completion of the Subscriptions in accordance with the Subscription Agreements
“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 Central SASAC, the controlling Shareholder of the Company
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate that was granted to the Board at the 2025 first extraordinary general meeting of the Company held on 24 November 2025, to issue, allot, and dispose of a maximum of 413,771,808 A Shares and/or H Shares in total
“Greater China”	for the purpose of this announcement, includes Hong Kong, Macau and the PRC
“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 HKD
“HK Stores”	the following DFS stores in Hong Kong operated by DFS HK as at the date of this announcement: <ul style="list-style-type: none"> 1 DFS Hong Kong, Canton Road (Sun Arcade) 2 DFS Hong Kong, Causeway Bay (Hysan Place)
“HKD”	the lawful currency of Hong Kong

“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Long Stop Date”	the date falling 6 months after the date of the Master Agreement
“LVMH”	LVMH Moët Hennessy Louis Vuitton SE
“Macau”	The Macau Special Administrative Region of the PRC
“Macau Stores”	the following DFS stores in Macau operated by the Target Company as at the date of this announcement: <ol style="list-style-type: none"> 1 DFS Macau, Shoppes at Londoner Macau 2 DFS Macau, Galaxy Macau 3 DFS Macau, MGM Cotai 4 DFS Macau, MGM Macau 5 DFS Macau, Wynn Palace 6 DFS Macau, Shoppes at Four Seasons 7 DFS Macau, Studio City
“MOP”	Patacas, the lawful currency of Macau
“PRC”	the People’s Republic of China (excluding Hong Kong, Macau and Taiwan for the purpose of this announcement)
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	all the issued share capital of the Company, comprising A Shares and H Shares
“Shareholder(s)”	Shareholder(s) of the Company, including holder(s) of A Shares and holder(s) of H Shares
“Target Business”	the Target Company and the Business

“Target Company”	DFS Cotai Limitada, a limited liability company incorporated under the law of Macau, which is held as to 99% by DFS SG and 1% by DFS HK as at the date of this announcement
“Target Shares”	all the issued share capital (MOP \$100,000.00) of the Target Company held by the Sellers
“USD”	the lawful currency of the United States of America
“Valuation Reference Date”	September 30, 2025
“Valuation Report”	the valuation report (中免國際有限公司擬收購DFS位於香港和澳門的9家零售門店業務涉及的業務價值項目估值報告) dated January 11, 2026 issued by the Valuer in relation to the valuation of the Target Business as at the Valuation Reference Date
“Valuer”	Jones Lang LaSalle Corporate Appraisal and Advisory Limited
“%”	per cent

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

Beijing, the PRC
January 20, 2026

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.