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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2026

The board of directors (the "**Board**") of China Tourism Group Duty Free Corporation Limited (the "**Company**") is pleased to announce the unaudited interim results of the Company and its subsidiaries for the six months ended June 30, 2026 ("**Interim Results**"). This announcement, containing the full text of the 2026 interim report of the Company ("**Interim Report**"), complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to the information to accompany preliminary announcement of interim results.

The Interim Results have been reviewed by the audit and risk management committee of the Board.

This announcement will be published on the websites of the Hong Kong Exchanges and Clearing Limited ("**HKEX**") (www.hkexnews.hk) and the Company (www.ctgdutyfree.com.cn). The Interim Report will be published on the aforesaid websites of the HKEX and the Company in due course.

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

Beijing, the PRC
August 20, 2026

As at the date of this announcement, the members of the Board comprise Mr. FAN Yunjun as the non-executive director, Mr. CHANG Zhujun, Mr. WANG Yuehao and Mr. WANG Xuan as the executive directors and Mr. WANG Qiang, Mr. HUANG Jianhua and Ms. HAN Yingjiao as the independent non-executive directors.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Non-executive Director

Mr. FAN Yunjun (范雲軍先生) *(Chairman)*

Executive Directors

Mr. CHANG Zhujun (常築軍先生)
Mr. WANG Yuehao (王月浩先生)
Mr. WANG Xuan (王軒先生)

Independent Non-executive Directors

Mr. WANG Qiang (王強先生)
Mr. HUANG Jianhua (黃建華先生)
Ms. HAN Yingjiao (韓穎姣女士)

JOINT COMPANY SECRETARIES

Mr. YANG Hongyi (楊洪義先生)
Ms. ZHANG Xiao (張瀟女士)

AUTHORIZED REPRESENTATIVES

Mr. WANG Xuan (王軒先生)
Ms. ZHANG Xiao (張瀟女士)

AUDIT AND RISK MANAGEMENT COMMITTEE

Ms. HAN Yingjiao (韓穎姣女士) *(Chairlady)*
Mr. WANG Qiang (王強先生)
Mr. HUANG Jianhua (黃建華先生)

NOMINATION COMMITTEE

Mr. WANG Qiang (王強先生) *(Chairman)*
Mr. CHANG Zhujun (常築軍先生)
Mr. WANG Yuehao (王月浩先生)
Mr. HUANG Jianhua (黃建華先生)
Ms. HAN Yingjiao (韓穎姣女士)

REMUNERATION AND EVALUATION COMMITTEE

Mr. HUANG Jianhua (黃建華先生) *(Chairman)*
Mr. WANG Qiang (王強先生)
Ms. HAN Yingjiao (韓穎姣女士)

STRATEGY AND SUSTAINABILITY COMMITTEE

Mr. FAN Yunjun (范雲軍先生) *(Chairman)*
Mr. CHANG Zhujun (常築軍先生)
Mr. WANG Xuan (王軒先生)
Mr. WANG Qiang (王強先生)
Mr. HUANG Jianhua (黃建華先生)

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Corporate Information

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STOCK CODE

A Share: 601888 (Shanghai Stock Exchange)
H Share: 1880 (Hong Kong Stock Exchange)

COMPANY'S WEBSITE

www.ctgdutyfree.com.cn

MANAGEMENT DISCUSSION AND ANALYSIS

PRINCIPAL ACTIVITIES

The Company is a joint stock limited company established under the laws of the PRC on March 28, 2008. The Company completed its initial public offering and listing of its A Shares on the Main Board of the Shanghai Stock Exchange (stock code: 601888) on October 15, 2009, and completed its public offering and listing of its H Shares on the Main Board of the Hong Kong Stock Exchange (stock code: 1880) on August 25, 2022. During the Reporting Period, the Company was principally engaged in travel retail business with a focus on duty-free sales, and the main product categories included tobacco, wines & spirits, fragrances & cosmetics, watches & jewellery, apparel & bags, electronics, food, etc. In addition, the Company was also engaged in the investment and development of commercial complexes with duty-free business as its core.

An analysis of the Company's revenue and operating profit for the Reporting Period by principal activities is set out in this section.

DISCUSSION AND ANALYSIS ON BUSINESS OPERATION

In the first half of 2026, the Company continued to further cultivate its principal business in travel retail. Centering on changes in consumer demand, the Company optimized the supply of merchandise, broadened online and offline operation channels, orderly advanced various operating activities, and maintained steady operation in its overall business.

(I) Deepening our presence in Hainan to continuously improve the quality of the offshore duty-free business

The Company has actively captured the opportunities arising from the island-wide independent customs operations of the Hainan Free Trade Port, deepened the integrated operation of "duty-free+" and cultural tourism, leveraged the economy of "first stores" to enrich store formats, and coordinated with various cultural and sports events to attract foot traffic and consumption. It continuously enriched its brand portfolios and characteristic IP scenarios by introducing 128 popular domestic and overseas brands, launched several Hainan regional first stores, and collaborated with MINISO SPACE, Sanrio, Toy Story, etc. to create characteristic IP-themed scenarios. The Company continuously optimized the supply of store formats and consumption scenarios, and the duty-free store for daily consumer goods in the Haikou International Duty-Free Shopping Complex was put into operation. During the Reporting Period, the Company's advantageous position in the Hainan offshore duty-free market was further consolidated, achieving an increase in both operating results and market share.

(II) Channel expansion, embarking on a renewed journey for comprehensive travel retail

Seizing the opportunities presented by the recovery of international passenger traffic and the growth of inbound consumption, the Company continued to strengthen the expansion of duty-free operating rights at key airports, cruise home ports, seaports, and land ports. It newly won the bids for 29 arrival and departure duty-free projects, covering key airports such as Chengdu Tianfu, Wuhan Tianhe, Guangzhou Baiyun, Changsha Huanghua, Haikou Meilan, Xiamen Xiang'an, and Jinan Yaoqiang; water ports such as Shanghai Wusongkou, Guangzhou Nansha, Xiamen Wutong, Port of Qingdao, Port of Yantai, Port of Weihai, and Port of Rizhao; as well as land ports such as Mengding Qingshuihe, Dongning, and Erenhot. The duty-free stores at the Beijing and Shanghai airports completed upgrading and renewed operations, enriching the supply of hot-selling categories such as 3C electronics and gold, and an exclusive consumption area for domestic goods was created at the Pudong Airport. Downtown stores expanded their online service channels, conducting cloud warehouse and cloud store operations, online reservation, live streaming, and flash delivery businesses to enrich digital consumption scenarios. The Company steadily expanded airport duty-paid retail formats, successfully implementing new projects by drawing on the commercial operation experience of mature airports, and concurrently advanced the commercial layout for the Hohhot Airport and Taiyuan Airport projects. The Company advanced the asset-light business of commercial complexes in an orderly manner, with the construction and investment promotion for commercial complex projects such as Shanghai Long Beach and Xiamen Sea World progressing as originally planned.

(III) Operational innovation, accelerating the development of online business

The Company continuously enriched online marketing scenarios, introduced diversified promotional formats such as exclusive brand campaigns and digital human live streaming, and created the characteristic themed marketing campaign "Cheers with Whisky (威你乾杯)". Relying on the integrated links among offline experience, live streaming interaction and instant ordering, it promoted the sales growth of characteristic products. Concurrently, it established cross-regional channels for merchandise interconnectivity on online platforms, further expanded online cross-border services, and improved the national online warehousing and distribution network. The efficiency of online fulfillment services was continuously improved.

(IV) Implementation of M&A, achieving breakthroughs in internationalization layout

The Company completed the acquisition of the retail business of DFS in Greater China, and orderly advanced integration across various dimensions including procurement and supply chain, membership system, information systems, and organization and talents in an orderly manner. The operations of all stores remained stable and orderly, facilitating the scale expansion and quality enhancement of overseas operations. During the Reporting Period, the LEGO store at Hong Kong International Airport was opened successfully. The Company will continue to monitor opportunities for expansion in overseas markets and simultaneously partner with premium brands to promote the Going Global of China Chic brands, steadily advancing its internationalization layout.

(V) Optimizing operations, improving quality and enhancing efficiency through digital and intelligent empowerment

The Company focused on multiple high-potential categories to optimize its brand matrix, expanded the business of first stores and premieres of new products, continuously introduced China Chic brands and set up exclusive consumption zones, and enhanced the influence of domestic brands through multi-channel promotions. It developed self-owned and co-branded labels, integrating target customer demographics and scenarios to promote co-development with renowned brands such as Haibiankuankuan (海邊寬寬), Bloomage Biotech (華熙生物), and DOCUMENTS (聞獻), thereby creating a differentiated supply of merchandise. It strengthened customer operations, with membership size exceeding 60 million and the scale of consumption by foreign customer groups steadily increasing. Various digital platforms were launched and put into operation, the supply chain management system achieved multi-scenario application, and digital tools such as AI shopping assistants and intelligent customer services were incorporated into daily operation, comprehensively empowering store operations, customer service, and supply chain management through digital means. The Company successfully hosted the 2026 Global Partner Conference, released the Shanghai Initiative advocating for "Trusted Business Operation and Excellent Services", deeply participated in the 6th China International Consumer Products Expo, and launched a series of themed marketing campaigns including the Chinese New Year Shopping Season (新春購物季) and Global Season of Special Offers (全球悦享季), further enhancing the brand value and influence of cdf.

INDUSTRIES IN WHICH THE COMPANY OPERATES

1. Tourism Industry

In the first half of 2026, the domestic tourism market was generally stable and orderly, and the demand for holiday travel continued to be released. According to the data on domestic travel by residents released by the Ministry of Culture and Tourism, in the first half of 2026, the number of domestic trips by domestic residents reached 3.463 billion, representing a year-on-year increase of 5.4%; domestic tourism spending amounted to RMB3.21 trillion, representing a year-on-year increase of 2.0%. Of which, during the Ching Ming Festival, Labour Day and Dragon Boat Festival holidays, the number of domestic trips nationwide increased by 6.8%, 3.6% and 4.4% year-on-year, respectively, and the total domestic tourism spending increased by 6.6%, 2.9% and 4.0% year-on-year, respectively.

The nationwide number of inbound and outbound passenger trips in the first half of 2026 reached a record high. According to statistics from the National Immigration Administration, in the first half of 2026, a total of 369 million inbound and outbound travelers were inspected by its nationwide authorities, representing a year-on-year increase of 10.8%. Such figure encompassed 176 million residents from Chinese Mainland, 147 million residents from Hong Kong SAR, Macao SAR and Taiwan region, and 45.906 million foreign nationals, representing year-on-year increases of 10.7%, 8.1% and 20.6% respectively. The number of inbound foreign nationals reached 22.914 million, representing a year-on-year increase of 20.4% and demonstrating a rapid growth trend, including 17.815 million foreign nationals entering visa-free, accounting for 77.7% of the total inbound foreign nationals, and representing a year-on-year increase of 30.6%.

2. Hainan Offshore Duty-Free Industry

Benefiting from the continuous release of policy dividends from the island-wide independent customs operations of the Hainan Free Trade Port and the implementation of Hainan's new offshore duty-free policy, the popularity of offshore duty-free consumption in Hainan has increased. In the first half of 2026, Hainan's integrated development model of "cultural tourism and sports events + exhibitions and festivals + duty-free shopping" further broadened the domestic and international customer sourcing channels for the duty-free market. According to the statistics from Haikou Customs, from January to June 2026, Haikou Customs supervised an aggregate offshore duty-free shopping amount of RMB19.92 billion, 15.966 million purchased items, and 2.793 million shopper visits, representing year-on-year increases of 18.8%, 7.3%, and 12.6%, respectively.

3. Consumer Market

In the first half of 2026, against the backdrop of the continuous effect of pro-consumption policies, the domestic consumer market generally maintained steady expansion. Retail sales of services demonstrated sound growth momentum, while the consumption of goods exhibited characteristics of consumption stratification and rationalisation. According to public data from the National Bureau of Statistics, in the first half of 2026, the total retail sales of consumer goods and services increased by 2.7% year-on-year. Specifically, the retail sales of services increased by 5.3%, a growth rate that was 4.2 percentage points higher than that of the retail sales of goods. Residents' consumption is shifting from a primary focus on the consumption of goods to an equal emphasis on the consumption of both goods and services. In the first half of 2026, the total retail sales of consumer goods increased by 1.3% year-on-year. Among which, consumption upgrades performed well under the drive of policies such as trade-in programs and subsidies for green and smart products. Retail sales of communication equipment by entities above designated size increased by 14.4% year-on-year; quality consumption and diversified consumption continued to improve, as retail sales of cosmetics by entities above designated size grew by 6.3%, and the retail sales of pop toys, such as blind boxes and action figures, maintained a rapid growth momentum; the growth of basic living goods remained stable, with retail sales of grain, oil and foodstuffs, garments, footwear, hats and knitwear, and daily necessities by entities above designated size increasing by 7.4%, 6.7%, and 4.4% year-on-year, respectively.

According to the spring update of the "2026 Global Luxury Market Study" jointly published by Bain & Company and Altagamma, the Italian luxury goods industry association, the global luxury consumption market is gradually stabilizing. The growth rate of experiential consumption continues to outpace that of physical goods, and the personal luxury goods consumption market is expected to grow by 2% to 4% in 2026. The PRC market has demonstrated a trend of cautious recovery, with the online sales of luxury goods in the PRC during the first quarter recording a significant year-on-year increase of 25% to 35%. Notably, in terms of product category structure, the growth rate of high-end ready-to-wear was twice that of leather goods and luggage, which indicates that the focus of domestic consumers in the PRC is shifting from products demonstrating social status to self-expressive products that place a greater emphasis on a sense of belonging and personal characteristics.

BUSINESS MODEL OF THE COMPANY

During the Reporting Period, the Company's business model was as follows: offline, focusing on leased or self-built properties at airports, ports, and in downtown locations, leveraging its franchise qualifications and global supply chain advantages, the Company operated travel retail business with a primary focus on sales of duty-free goods to customers such as inbound/outbound travelers and visitors to Hainan offshore duty-free market; online, the Company sold duty-paid goods to consumers through its self-operated e-commerce platforms and third-party platforms, breaking through time and space limitations to meet daily consumption needs. Simultaneously, the Company integrated its membership system and data links to create an omnichannel service ecosystem rooted in duty-free license, centered on supply chain, and driven by digitalization.

FINANCIAL REVIEW

Revenue

The Group's revenue is mainly derived from sales of merchandise and provision of related services through its travel retail business. Other sources of revenue of the Group mainly include rental income from leasing of investment properties.

The Group's revenue decreased by 1.76% from RMB28.151 billion for the six months ended June 30, 2025 to RMB27.655 billion for the Reporting Period, mainly due to the decrease in sales revenue of duty-paid merchandise.

Other income

The Group's other income (comprising interest income, exchange gains or losses and government grants) decreased by 15.85% from RMB694 million for the six months ended June 30, 2025 to RMB584 million for the Reporting Period, mainly due to the decrease in interest income and net exchange gains.

Cost of sales

The Group's cost of sales decreased by 3.96% from RMB19.161 billion for the six months ended June 30, 2025 to RMB18.402 billion for the Reporting Period, mainly due to the decrease in sales revenue of duty-paid merchandise.

Gross profit

The Group's gross profit increased by 2.93% from RMB8.990 billion for the six months ended June 30, 2025 to RMB9.253 billion for the Reporting Period, mainly due to the increase in the proportion of sales revenue from high gross profit merchandise.

Selling and distribution costs

The Group's selling and distribution costs decreased by 0.83% from RMB4.794 billion for the six months ended June 30, 2025 to RMB4.754 billion for the Reporting Period, mainly due to the decrease in lease expenses, office and operating expenses.

Administrative expenses

The Group's administrative expenses increased by 5.36% from RMB1.045 billion for the six months ended June 30, 2025 to RMB1.101 billion for the Reporting Period, mainly due to the increase in employee remuneration and lease expenses.

Research and development expenses

The Group's research and development expenses decreased by 29.56% from RMB38.4670 million for the six months ended June 30, 2025 to RMB27.0980 million for the Reporting Period, mainly due to the year-on-year decrease in expenditure on research and development activities of various projects in the field of software systems, represented by Nebula (星雲).

Staff costs

The Group's staff costs increased by 6.47% from RMB1.545 billion for the six months ended June 30, 2025 to RMB1.645 billion for the Reporting Period, mainly due to the increase in employee wages and bonuses.

Finance costs

The finance costs of the Group mainly comprise interest expenses on interest-bearing loans and interest expenses on lease liabilities. The Group's finance costs increased by 45.6% from RMB88.192 million for the six months ended June 30, 2025 to RMB128.41 million for the Reporting Period, mainly due to the increase in interest expenses on lease liabilities.

Impairment loss of trade and other receivables

The Group's impairment of trade and other receivables shifted from an impairment loss of RMB1.4470 million for the six months ended June 30, 2025 to an impairment loss of RMB4.7420 million for the Reporting Period, mainly due to the increase in provision for bad debts of other receivables.

Profit from operations

The Group's profit from operations increased by 3.84% from RMB3.805 billion for the six months ended June 30, 2025 to RMB3.951 billion for the Reporting Period, mainly due to the increase in the proportion of sales revenue from high gross profit merchandise.

Profit for the Reporting Period

The Group's profit increased by 4.88% from RMB2.930 billion for the six months ended June 30, 2025 to RMB3.073 billion for the Reporting Period, mainly due to the increase in the proportion of sales revenue from high gross profit merchandise.

Total equity attributable to equity shareholders

The Group's total equity attributable to equity shareholders increased by 3.63% from RMB55.396 billion as of December 31, 2025 to RMB57.407 billion as of the end of the Reporting Period, mainly due to the Company's operating profit.

Trade and other receivables

The Group's trade and other receivables increased by 91.11% from RMB7.435 billion as of December 31, 2025 to RMB14.209 billion as of the end of the Reporting Period, mainly due to the increase in time deposits.

Trade and other payables

The Group's trade and other payables increased by 32.37% from RMB7.173 billion as of December 31, 2025 to RMB9.495 billion as of the end of the Reporting Period, mainly due to the increase in payables for purchases of merchandise.

Liquidity and capital resources

The Group meets its working capital and other capital requirements primarily through cash generated from the operation of travel retail business and bank borrowings, together with the net proceeds from issuance of H Shares.

As of the end of the Reporting Period, the Group had cash and cash equivalents of RMB27.052 billion (as of December 31, 2025: RMB33.740 billion), primarily representing deposits in HK$ and RMB.

As of the end of the Reporting Period, the Group's borrowings amounted to RMB3.520 billion (as of December 31, 2025: RMB3.505 billion), which were mainly borrowings in RMB, among which RMB200 million bore fixed interest rates. The increased borrowings of the Group were mainly used for expenditures on projects under construction and for daily operations.

The Directors are of the view that the Group will be able to have sufficient working capital to fund its future financing needs and working capital based on the following: (a) the Group is expected to be profitable and therefore will continue to generate operating cash flows from future business operations; and (b) the Group has maintained long-term business relationships with its principal banks.

Capital expenditures

The Group's capital expenditures relate primarily to construction. As of the end of the Reporting Period, the total amount of capital expenditures contracted for by the Group but not yet incurred was RMB228 million (as of December 31, 2025: RMB229 million).

Gearing ratio

Unit: 100 million Currency: RMB

	As of June 30, 2026	As of December 31, 2025
Total debts (including lease liabilities and interest-bearing borrowings)	**103.15**	51.78
Total equity	**630.83**	610.34
Gearing ratio [(1)]	**16.35%**	8.48%

Note:

(1) Gearing ratio equals total debts (including lease liabilities and interest-bearing borrowings) divided by total equity.

Contingent liabilities

As at the end of the Reporting Period, the Group did not have any significant contingent liabilities.

Investment

As of the end of the Reporting Period, the Group's balance of interests in associates and joint ventures amounted to RMB3.482 billion, representing a decrease of RMB74 million or a decrease of 2.08% as compared to December 31, 2025, mainly due to losses incurred by associates and joint ventures.

As of the end of the Reporting Period, each individual investment held by the Group did not constitute 5% or more of the Group's total assets.

Material acquisitions and disposals and future plans for material investments or acquisition of capital assets

During the Reporting Period, China Duty Free International Limited, an indirect wholly-owned subsidiary of the Company, acquired share and assets relating to the travel retail business of DFS in Greater China from DFS Venture Singapore (Pte) Limited and DFS Group Limited for a final consideration of approximately US$306.35 million ("**Acquisition of DFS**"). Concurrently, Delphine SAS (an indirect wholly-owned subsidiary of LVMH) and Shoppers Holdings HK Limited (an indirect wholly-owned subsidiary of The Mountain Trust Company acting in its capacity as the licensed trustee of a private family trust with the Miller Family as beneficiaries) subscribed for 8,937,600 new H Shares (the "**Subscription by LVMH and the Miller Family**"). In particular, 5,474,300 Shares were subscribed for by Delphine SAS and 3,463,300 Shares were subscribed for by Shoppers Holdings HK Limited, at a net issue price of approximately HK$77.21 per Share (with a nominal value of RMB1.00 each), and the net proceeds were approximately HK$690.07 million. On January 19, 2026, being the date of the Subscription Agreements, the closing price of the Company was HK$87.4 per H Share. The closing of the Acquisition of DFS was completed on March 19, 2026, and the Subscription by LVMH and the Miller Family was also completed on the same date. For details, please refer to the announcements of the Company dated January 20, 2026 and March 19, 2026. The Company intends to apply the net proceeds from the Subscription by LVMH and the Miller Family to bolster its capital base and support the expansion and operational upgrades of the Group's domestic and overseas businesses.

Save as disclosed above, as of the end of the Reporting Period, the Group did not have any other material acquisitions and disposals, nor did it have any future plans for material investments or acquisitions of capital assets. In the future, the Group will focus on acquisition opportunities of upstream brands and duty-free operators, and proceed with relevant capital operations in a timely manner according to market conditions.

Pledge on assets

As of the end of the Reporting Period, the book value of the Group's restricted cash amounted to RMB0.1 billion and the book values of fixed assets, intangible assets, investment properties and inventories pledged as security amounted to RMB2.057 billion, RMB0.479 billion, RMB0.556 billion and RMB0.994 billion, respectively.

INTERIM DIVIDEND

The Company will not distribute an interim dividend for the Reporting Period (for the six months ended June 30, 2025: Nil).

DISCUSSION AND ANALYSIS OF THE COMPANY ON THE FUTURE DEVELOPMENT

(I) Outlook

In the second half of 2026, the Company will continue to consolidate its advantages in the Hainan offshore duty-free market, actively expand comprehensive travel retail, strengthen its online business, and steadily advance its internationalization layout. Meanwhile, the Company will further enhance its capabilities in customer operations, product operations, collaborative operations, digitalization and intelligence, as well as investments, mergers and acquisitions. It will also reinforce refined management and comprehensive capability building to promote the high-quality development of the Company, laying a solid foundation for a good start to the 15th Five-Year Plan.

(II) Potential Risks

1. Policy risk. With the relaxation of the duty-free operation permits, the operating entities for the duty-free stores at ports of entry and exit shall be determined by way of bidding, the operating entities for the offshore duty-free stores in Hainan shall be determined by ways of competitive negotiation, and the operating entities for the downtown duty-free stores shall be determined through a competitive mechanism. The duty-free industry in the PRC has entered an orderly competition stage. In the face of increasingly fierce market competition, the Company will focus on the duty-free main business, major projects and key markets, strive to improve core business capabilities, strengthen refined management, continuously enhance endogenous and exogenous development momentum, and comprehensively create a new pattern for the development of travel retail.

2. Investment risk. Risk of investment in strategic projects falling short of expectation. The Company will focus on its strategic objectives, strengthen the management of mid – to long-term planning and annual investment proposals and plans, control the scale and the pace of investment from an overall and macro perspective, and maintain an overall objective understanding and vigilance of investment risk. The Company will also continue to strengthen project investment estimation and budget review, and scientifically control the total project investment, while making efforts in project establishment, approval, scientific feasibility study, file management and other tasks, maintaining good communication with governments at all levels and partners, and striving for project progress according to schedule. The Company will strengthen team building with the ability in developing travel retail commercial complex projects and comprehensively operating composite industries to improve the capabilities of investment management, risk control, business solicitation management and project operation.

3. Financial risk. As international business is mostly settled in foreign currencies, the increased fluctuation in the exchange rate of RMB against foreign currencies, exchange differences and other factors may lead to exchange losses, which affects the realization of the Company's business objectives. The Company will continue to monitor and enhance research on exchange rate fluctuations. Based on its analysis of currency risk exposures across assets, liabilities, income and expenditures and taking into account the movements of relevant currency exchange rates and interest rates and other trends, the Company will develop systematic management plans in accordance with the principle of coordinated allocation of different domestic and foreign monetary assets and liabilities. This approach aims to balance return and risk and help the Company achieve its goals for managing exchange rates and interest rates. The Company will also closely monitor the trends in the exchange rates and interest rates of the currencies it holds, and by comprehensively considering the impact of interest rates on the allocation of financial resources, it will strive to improve the currency matching of its assets and liabilities.

4. Market risk. The market is becoming increasingly competitive and consumer demands are becoming increasingly diversified, putting pressure on traditional stores in terms of customer traffic and repeat purchase rates. The Company will fully leverage and further develop its existing strengths to create an integrated online-offline competitive advantage and will continue to promote centralized procurement to enhance its bargaining power in product procurement. By capitalizing on its current advantages, the Company will actively explore new product lines to establish new growth drivers, thereby consolidating and strengthening its competitive edge. The Company will use its brand strength and expertise in service implementation to boost its market competitiveness. Furthermore, the Company will deepen cross-industry collaborations, fostering open, mutually supportive, cooperative, and mutually beneficial partnerships to improve its adaptability to market changes.

5. Project management risk. In respect of major construction projects, deviations in tendering and bidding, project budget and final accounts, construction process and project acceptance could lead to project delays, cost overruns and potential quality and safety issues. In accordance with relevant project management regulations, the Company will manage projects from the very beginning, ensuring proper project initiation approval and tendering and bidding management. It will effectively oversee the construction process, holding progress review meetings in a timely manner to ensure schedules are met. The Company will also exercise strict control over the construction budget and properly manage project final accounts to guarantee the safe and reliable delivery and use of all projects.

6. Geopolitical, international trade dispute and supply chain risks. The international landscape continues to evolve with increasing complexity, and regional conflicts, sanctions policies, and fluctuations in the trade environment may pose challenges to the stability of global supply chains, creating uncertainties, particularly in areas such as goods procurement, brand licensing, and cross-border logistics. The Company will continue to monitor trends in global supply chain dynamics, diversify procurement channels, strengthen strategic collaboration with brand partners, and actively build a stable, efficient, and controllable supply assurance system, to enhance the overall security and resilience of the supply chain.

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Save for the Subscription by LVMH and the Miller Family disclosed in the section headed "Material acquisitions and disposals and future plans for material investments or acquisition of capital assets" above, during the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares). As of the end of the Reporting Period, the Company did not hold any treasury shares.

INTERESTS OR SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at the end of the Reporting Period, none of our Directors has any interest and/or short position in the Shares, underlying Shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code, to be notified to our Company, once the Shares are listed on the Hong Kong Stock Exchange.

INTERESTS OR SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at the end of the Reporting Period, so far as it was known to the Directors or chief executives of the Company, the following persons (other than the Directors and chief executives of the Company) had interests and/or short positions in the Shares or underlying Shares which are required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO, or had interests or short positions in 5% or more of the relevant class of Shares which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Shareholders	Nature of Interest	Number and class of Shares*	Approximate percentage of equity in relevant class of Shares	Approximate percentage of equity in the Company's issued share capital
CTG[(1)]	Beneficial owner	1,040,642,690 A Shares (L)	53.30%	50.08%
China State-Owned Enterprise Mixed Ownership Reform Fund Co., Ltd.	Beneficial owner	7,452,300 H Shares (L)	5.95%	0.36%
China Chengtong Holdings Group Ltd.[(2)]	Interest in controlled corporation	7,452,300 H Shares (L)	5.95%	0.36%

* (L) - Long position

Notes:

(1) CTG is a state-owned enterprise under the control and supervision of the Central SASAC.

(2) China Chengtong Holdings Group Ltd. holds 34.23% equity interests in China State-owned Enterprise Mixed Ownership Reform Fund Co., Ltd. By virtue of the SFO, China Chengtong Holdings Group Ltd. is deemed to be interested in the shares held by China State-owned Enterprise Mixed Ownership Reform Fund Co., Ltd.

Save as disclosed above, to the best knowledge of the Company, as at the end of the Reporting Period, no person (other than the Directors and chief executives) had informed the Company that he/she had interests or short positions in the Shares or underlying Shares of equity derivatives of the Company which were required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or held any interests or short positions in 5% or more of the respective classes of capital in issue of the Company.

USE OF NET PROCEEDS FROM THE ISSUE OF H SHARES

Global Offering of H Shares

The net proceeds from the issue of H Shares by the Company in its listing on the Hong Kong Stock Exchange amounted to approximately HK$18,012.01 million, after deducting the underwriting commission and other estimated expenses payable by the Company in connection with the global offering of the Company. For the unutilized net proceeds of approximately HK$8,375.58 million as at the end of the Reporting Period, the Company intends to use them in the same manner and proportions as described in the Prospectus and proposes to use the unutilized net proceeds in accordance with the expected timetable disclosed in the table below.

The amount of proceeds actually used by the Company during the Reporting Period, the unutilized net proceeds as at the end of the Reporting Period and the expected timeframe for utilizing the remaining unutilized net proceeds are as follows:

Unit: million Currency: HK$

	Net proceeds intended to be distributed according to the Prospectus	Net proceeds utilized as at December 31, 2025	Actual use of proceeds during the Reporting Period	Net proceeds unutilized as at the end of the Reporting Period	Expected timeframe for utilizing the remaining unutilized net proceeds
To reinforce our domestic channels, including construction of duty-free stores (departure and arrival) at traditional ports, construction of duty-free stores in key airports, investment in downtown duty-free stores, development of duty-paid travel retail projects at transportation hubs, etc.	9,805.78	5,891.77	341.84	3,572.17	To be utilized before the end of 2027
To expand overseas channels, including development of overseas downtown duty-free stores, development of duty-free stores in key overseas airports, construction of duty-free stores on cruise ships, investment in merger and acquisition of overseas travel retail operators, etc.	3,493.65	798.78	65.00	2,629.88	To be utilized before the end of 2027
To improve supply chain efficiency, including construction of distribution centers, upgrading of supply chain and consolidation of upstream procurement system	2,096.19	232.91	–	1,863.28	To be utilized before the end of 2027
To upgrade our information technology system and boost digitalization	232.91	232.91	–	–	Fully utilized
For marketing and improving our customer loyalty program	582.28	341.02	7.86	233.39	To be utilized before the end of 2027
For working capital and other general corporate purposes	1,801.20	1,724.34	–	76.86	To be utilized before the end of 2027
Total	18,012.01	9,221.73	414.70	8,375.58	

Notes:

(1) The total net proceeds of HK$18,012.01 million from the issue of H Shares by the Company in its listing on the Hong Kong Stock Exchange consist of approximately HK$15,892.25 million of net proceeds received prior to the exercise of the over-allotment option and the additional net proceeds of approximately HK$2,119.76 million from the issue of over-allotment H Shares. Such over-allotment option was partially exercised on September 16, 2022.

(2) The expected timeframe for utilizing the remaining unutilized net proceeds is based on the best estimation of the future market conditions made by the Company with reference to the prevailing market conditions, which may change subject to the changes in market conditions from time to time.

(3) Certain figures included in the above table have been rounded, and any difference is due to rounding.

Subscription by LVMH and the Miller Family

After deducting the relevant expenses, the net proceeds from the Subscription by LVMH and the Miller Family amounted to approximately HK$690.07 million. The Company intends to apply the net proceeds from the Subscription by LVMH and the Miller Family to bolster its capital base and support the expansion and operational upgrades of the Group's domestic and overseas businesses.

The Company did not utilize any of the proceeds during the Reporting Period, and the expected timeframe of utilization is as follows:

Unit: million Currency: HK$

	Net proceeds from the Subscription as at March 19, 2026	Actual use of proceeds during the Reporting Period	Net proceeds unutilized as at the end of the Reporting Period	Expected timeframe for utilizing the remaining unutilized net proceeds
To support product portfolio upgrades at domestic and overseas subsidiaries	483.05	–	483.05	To be utilized before the end of 2031
To support business expansion and operational capability development at domestic and overseas subsidiaries	138.01	–	138.01	To be utilized before the end of 2031
General working capital for domestic and overseas subsidiaries to support daily business operations, enhance operational resilience, and to improve flexibility in capital allocation	69.01	–	69.01	To be utilized before the end of 2031
Total	690.07	–	690.07	

CORPORATE GOVERNANCE PRACTICES

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as safeguarding the interests of its Shareholders as a whole. The Company has adopted corporate governance practices based on the principles and code provisions as set out in the CG Code as contained in Appendix C1 to the Hong Kong Listing Rules as the Company's own code of corporate governance practices.

During the Reporting Period, the Company has complied with all the code provisions as set out in Part 2 of the CG Code, and satisfied substantially all of the recommended best practices requirements as set out in Part 2 of the CG Code, except for the following:

Code provision F.1.3 of the CG Code stipulates that, among others, the chairman of the Board should attend the annual general meeting. Mr. FAN Yunjun, the Chairman of the Board, was unable to attend the 2025 Annual General Meeting due to other business commitments. Mr. WANG Xuan, an executive Director of the Company, was elected to chair the 2025 Annual General Meeting, and, together with other Directors and some senior management of the Company attending the meeting, answered questions from Shareholders at the 2025 Annual General Meeting.

The Board will continue to review and monitor the code of corporate governance practices of the Company with an aim to maintaining a high standard of corporate governance.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Hong Kong Listing Rules as its code of conduct regarding dealings in the securities of the Company by the Directors who, because of their office or employment, are likely to possess inside information in relation to the Company or the Company's securities.

The Company has also formulated the Administrative System for Shares Held by Directors and Senior Management and Their Movements to ensure compliance with the Model Code. In particular, the Company will notify all Directors the blackout period before the commencement of such blackout period, reminding the Directors not to deal in the Company's securities during the blackout periods before the announcement of results. The Board is of the view that the guidelines and procedures for the Directors' dealings in securities of the Company are adequate and effective.

The Company has made specific enquiries with all Directors, and all Directors have confirmed that they were in strict compliance with the standards as set out in the Model Code during the Reporting Period.

REVIEW OF 2026 INTERIM REPORT

As of the Latest Practicable Date, the Audit and Risk Management Committee consisted of three independent non-executive Directors, namely Ms. HAN Yingjiao, Mr. WANG Qiang and Mr. HUANG Jianhua, and was chaired by Ms. HAN Yingjiao.

The Audit and Risk Management Committee has reviewed the unaudited 2026 Interim Report of the Group for the Reporting Period, and is of the view that the 2026 Interim Report is in compliance with the applicable accounting standards, relevant laws and regulations, and has made adequate disclosure.

INFORMATION CHANGES IN DIRECTORS AND SENIOR MANAGEMENT

On June 26, 2026, upon approval at the general meeting, Mr. HUANG Jianhua and Ms. HAN Yingjiao were appointed as independent non-executive Directors of the Company. Concurrently, Ms. LIU Kun retired as a non-executive Director, the vice chairlady of the Board and a member of the Strategy and Sustainability Committee of the Company; Mr. GE Ming retired as an independent non-executive Director, the chairman of the Audit and Risk Management Committee, a member of the Nomination Committee and a member of the Remuneration and Evaluation Committee of the Company; and Ms. WANG Ying retired as an independent non-executive Director, the chairlady of the Remuneration and Evaluation Committee, a member of the Audit and Risk Management Committee and a member of the Nomination Committee of the Company. For details, please refer to the announcement of the Company dated June 26, 2026.

Save as disclosed above, during the Reporting Period, there was no change in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules.

INFORMATION ON THE EMPLOYEES OF THE GROUP

As of the end of the Reporting Period, the Group had 14,552 full-time employees, among which, 60% were female and 40% were male. The Group enters into written employment agreements with its direct employees to specify each employee's position, responsibilities, remuneration, benefits and grounds of termination pursuant to relevant labor laws and regulations. The Company also has employees under labor dispatch agreements.

The compensation package of the Group includes fixed pay and variable pay. Remuneration of the employees includes salary, bonus, incentive and allowance elements. Fixed pay takes into full account the value of employee's position, personal capability and work experience. Variable pay is associated with corporate performance, department performance and individual performance. The Company also provides its employees with benefits in accordance with applicable regulations and its internal policies.

The Group's training programs are focused on strategic development, with an aim to establish a comprehensive talent development and training mechanism and promote the construction of a robust talent pipeline. Through integrating online and offline training modes, these training programs can boost the learning enthusiasm across the Company and create a good talent training environment, ensuring that the Group has the talent needed for its long-term stable development. During the Reporting Period, a total of 241 key training programs were carried out, with 48.6 thousand participants. A total of 145.9 thousand training hours were completed, averaging 10.02 training hours per person.

For middle and senior management, we focus on key topics such as corporate strategy, innovation and development, and leadership to establish a multi-dimensional management personnel cultivation system characterised by "tiered empowerment, cyclical rotational training, and integration of training and practice". In the first half of 2026, we conducted the "Excellence Programme (卓越計劃)" LMI Comprehensive Leadership 《LMI全面領導力》 training to promote the effective translation of theoretical leadership knowledge into business practices, thereby comprehensively consolidating the foundation for management teams at all levels to discharge their duties and providing talent support for the high-quality transformation and development of the enterprise.

Other Information

For frontline business operations and management personnel, we continue to conduct thematic training on operation and management, retail operations, compliant operations, and integrity education. Meanwhile, through a combination of formats such as on-site visits to benchmarking enterprises, intensive training and exchanges, and research project presentations, we further enhance our operation and management capabilities and internal control management awareness, and consolidate our refined service capabilities. We will innovate our operation and management models to accelerate the development of retail operations talent.

For various professional talents, the Group continued to strengthen its specialized cultivation. In the first half of 2026, the Group developed and implemented nine premium courses targeting retail talents, covering category knowledge, sales services, and customer relationship management. Concurrently, the Group advanced the internal trainer certification program to fully leverage the "spark" role of outstanding internal talents, establish a seamless pathway for skill transfer, and achieve scaled empowerment radiating from key individuals to broader areas. This facilitated the continuous development of a full-cycle progressive training system for retail talents from "New Forces – Sales Champions – Team Leaders". In respect of professional title evaluations and skill level certifications, the Group actively organized employees to participate in title evaluation for professional series including engineering, accounting, economics, auditing, and archives. The number and quality of professional and technical talents steadily increased, providing a solid foundation and intellectual support for the Group's development. For occupational skill level certification, the Group continued to conduct its own "sales associate (商品營業員)" occupational skill level certification for key skilled personnel in that role, and has effectively established an internal system for skilled talent cultivation and certification, further opening up internal career development paths for our employees.

For new employees, the Company provided regular onboarding training programs to provide them an in-depth introduction to the duty-free industry, the Group's development history and key business overview. It has established an "onboarding training + examination and evaluation (入職培訓+考試評估)" system. Within three days of starting, 100% of new employees would receive online learning courses and exams via our internal learning platform, helping new employees quickly integrate into the Group. We attached great importance to the development of young talents by continuously carrying out management trainee programs. And through "job rotation + subject research (輪崗+課題研究)", the Company guided young talents to think deeply and solve practical issues. Through the in-depth integration of theory and practice, we accelerated the growth pace of young talents, thereby building a high-quality and versatile reserve talent pipeline for the Group, and continuously enhancing the organization's core competitiveness and sustainable development capabilities.

The Group continued to advance the development of our team of internal lecturers. Through a series of teaching activities of "excellent teachers and excellent courses (優師優課)", the Group organized internal lecturers to give lectures on product knowledge, sales skills, service skills and other topics, so as to improve the comprehensive ability of internal lecturers through training.

The Group has also built a learning brand of "cdf Pioneer Lecture (中免先鋒講堂)", inviting influential experts and scholars in different fields such as politics, economy, history and culture to provide in-depth interpretations, so as to help officers and employees to study and grasp new concepts, new ideas and new strategies.

The Group made full use of the online training platform "cdf School (中免學堂)", which is designed for all employees. The continuous updating and improvement of the online courses provided abundant resources for employees to enrich their professional knowledge and improve their business capabilities. In addition, we have incorporated AI applications and smart office courses into the basic capacity building for all employees to enhance the artificial intelligence literacy across our workforce. Furthermore, to increase employees' learning enthusiasm and engagement, and to deliver learning information to them in a timely manner, we fully leveraged the WeChat official account and WeChat Channels of "cdf School", as well as the "cdf School Column (中免學堂專欄)" on WeCom, to publish course pushes, knowledge sharing, and other content for employees from time to time.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

There are no important events affecting the Group which have occurred after the Reporting Period and up to the Latest Practicable Date.

INDEPENDENT REVIEW REPORT

EY 安永

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Independent review report
To the board of directors of China Tourism Group Duty Free Corporation Limited
(A joint stock company incorporated in the People's Republic of China with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 22 to 61, which comprises the condensed consolidated statement of financial position of China Tourism Group Duty Free Corporation Limited (the "Company") and its subsidiaries (the "Group") as at 30 June 2026 and the related condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Certified Public Accountants
Hong Kong

20 August 2026

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Notes	Six months ended 30 June 2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
Revenue	4	27,655,202	28,150,750
Cost of sales		(18,401,756)	(19,160,933)
Gross profit		9,253,446	8,989,817
Other income and other net gains	5	584,313	693,973
Selling and distribution costs		(4,753,860)	(4,794,476)
Administrative expenses		(1,100,668)	(1,044,878)
Research and development expenses		(27,098)	(38,467)
Impairment loss on trade and other receivables		(4,742)	(1,447)
Profit from operations		3,951,391	3,804,522
Finance costs	6	(128,410)	(88,192)
Share of profits and losses of:			
Joint ventures		(15,062)	(7,971)
Associates		(58,972)	(12,530)
Profit before taxation	6	3,748,947	3,695,829
Income tax expense	7	(675,770)	(765,446)
Profit for the period		3,073,177	2,930,383
Other comprehensive loss for the period (after tax)			
Items that may be reclassified subsequently to profit or loss:			
– Exchange differences on translation of foreign operations		(790,799)	(308,579)
Total comprehensive income for the period		2,282,378	2,621,804
Profit for the period attributable to:			
Equity shareholders of the Company		3,133,682	2,621,899
Non-controlling interests		(60,505)	308,484
Profit for the period		3,073,177	2,930,383
Total comprehensive income attributable to:			
Equity shareholders of the Company		2,338,664	2,310,698
Non-controlling interests		(56,286)	311,106
Total comprehensive income for the period		2,282,378	2,621,804
Earnings per share			
Basic and diluted (RMB)	8	1.5114	1.2673

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

	Notes	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Non-current assets			
Investment properties	9	923,562	818,426
Right-of-use assets	10	8,188,296	3,138,062
Other property, plant and equipment	11	9,428,510	8,926,584
Intangible assets	12	1,649,909	210,087
Goodwill	13	1,269,479	484,801
Interests in associates		2,295,331	2,354,303
Interests in joint ventures		1,186,561	1,201,623
Deposits and other receivables	15	460,818	332,221
Other non-current assets	16	527,327	529,129
Deferred tax assets	20	770,264	670,616
Total non-current assets		26,700,057	18,665,852
Current assets			
Inventories	14	17,188,648	15,301,622
Trade and other receivables	15	13,748,300	7,102,900
Income tax recoverable		60,897	39,804
Restricted bank deposits	17	100,000	–
Cash and time deposits	17	27,079,561	33,781,245
Total current assets		58,177,406	56,225,571
Current liabilities			
Trade and other payables	18	9,423,225	7,173,010
Contract liabilities	19	1,086,767	1,016,700
Interest-bearing borrowings	21	944,584	656,600
Lease liabilities		1,918,567	510,729
Income tax payable		434,544	289,882
Total current liabilities		13,807,687	9,646,921
Net current assets		44,369,719	46,578,650
Total assets less current liabilities		71,069,776	65,244,502

Interim condensed consolidated statement of financial position

	Notes	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Non-current liabilities			
Interest-bearing borrowings	21	2,575,786	2,848,680
Lease liabilities		4,875,727	1,161,983
Defined benefit obligations		1,090	1,090
Trade and other payables	18	71,396	–
Deferred tax liabilities	20	225,351	33,625
Deferred income		149,223	165,046
Other non-current liabilities		88,350	–
Total non-current liabilities		7,986,923	4,210,424
Net assets		63,082,853	61,034,078
Capital and reserves			
Share capital	22	2,077,797	2,068,859
Reserves		55,329,204	53,327,181
Total equity attributable to equity shareholders of the Company		57,407,001	55,396,040
Non-controlling interests		5,675,852	5,638,038
Total equity		63,082,853	61,034,078

Approved and authorised for issue by the board of directors on 20 August 2026.

FAN Yunjun
Director

CHANG Zhujun
Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to equity shareholders of the Company								
	Share capital RMB'000	Capital reserve RMB'000	Statutory reserve RMB'000	Exchange reserve RMB'000	Other reserves RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2026 (audited)	2,068,859	17,427,042	1,050,986	666,301	(210)	34,183,062	55,396,040	5,638,038	61,034,078
Profit for the period	–	–	–	–	–	3,133,682	3,133,682	(60,505)	3,073,177
Other comprehensive loss	–	–	–	(795,018)	–	–	(795,018)	4,219	(790,799)
Total comprehensive income	–	–	–	(795,018)	–	3,133,682	2,338,664	(56,286)	2,282,378
Issue of shares	8,938	598,367	–	–	–	–	607,305	–	607,305
Capital contributions from non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	99,497	99,497
Disposal of a subsidiary	–	–	–	–	–	–	–	(141)	(141)
Dividends declared in respect of the previous year (Note 22)	–	–	–	–	–	(935,008)	(935,008)	–	(935,008)
Dividends paid to non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	(5,256)	(5,256)
Balance at 30 June 2026 (unaudited)	2,077,797	18,025,409	1,050,986	(128,717)	(210)	36,381,736	57,407,001	5,675,852	63,082,853

	Attributable to equity shareholders of the Company								
	Share capital RMB'000	Capital reserve RMB'000	Statutory reserve RMB'000	Exchange reserve RMB'000	Other reserves RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2025 (audited)	2,068,859	17,442,317	1,050,986	1,175,133	(210)	33,228,674	54,965,759	5,830,551	60,796,310
Profit for the period	–	–	–	–	–	2,621,899	2,621,899	308,484	2,930,383
Other comprehensive loss	–	–	–	(311,201)	–	–	(311,201)	2,622	(308,579)
Total comprehensive income	–	–	–	(311,201)	–	2,621,899	2,310,698	311,106	2,621,804
Capital contributions from non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	14,700	14,700
Disposal of subsidiaries	–	–	–	–	–	–	–	(28,517)	(28,517)
Acquisition of a subsidiary	–	–	–	–	–	–	–	11,018	11,018
Dividends declared in respect of the previous year (Note 22)	–	–	–	–	–	(2,172,302)	(2,172,302)	–	(2,172,302)
Dividends paid to non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	(293,899)	(293,899)
Acquisition of non-controlling interests	–	(14,375)	–	–	–	–	(14,375)	(10,839)	(25,214)
Balance at 30 June 2025 (unaudited)	2,068,859	17,427,942	1,050,986	863,932	(210)	33,678,271	55,089,780	5,834,120	60,923,900

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Notes	Six months ended 30 June 2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
Operating activities			
Profit before taxation		3,748,947	3,695,829
Adjustments for:			
Depreciation of investment properties	9	24,759	22,996
Depreciation of right-of-use assets		570,244	248,968
Depreciation of other property, plant and equipment	11	326,445	381,625
Amortisation of intangible assets	12	76,028	18,470
Finance costs	6	128,410	88,192
Share of losses of associates and joint ventures, net		74,034	20,501
Gains on disposal of items of other property, plant and equipment and other non-current assets, net		(4,730)	(15,061)
Interest income		(49,228)	(25,207)
Exchange gains, net	5	(143,247)	(193,881)
Changes in working capital:			
(Increase)/decrease in inventories		(1,887,026)	460,870
Increase in trade and other receivables		(609,350)	(36,461)
Increase in restricted bank deposits		(100,000)	–
(Increase)/decrease in deposits and other receivables		(128,597)	9,480
Decrease in other non-current assets		1,802	1,187
Increase/(decrease) in trade and other payables		1,005,680	(1,333,114)
Decrease in deferred income		(15,823)	(17,951)
Increase/(decrease) in contract liabilities		70,067	(165,330)
Cash generated from operations		3,088,415	3,161,113
Tax paid		(608,788)	(553,993)
Net cash flows from operating activities		2,479,627	2,607,120
Investing activities			
Proceeds from disposal of other property, plant and equipment and other non-current assets		72	612
Purchases of other property, plant and equipment and other non-current assets		(541,158)	(490,832)
Payments of equity investment funds		–	(16,931)
Acquisition of subsidiaries		(1,829,052)	10,935
Dividends received from associates		–	5,442
Purchases of time deposits		(9,036,233)	(1,400,000)
Redemption of time deposits		2,974,350	3,963
Net cash flows used in investing activities		(8,432,021)	(1,886,811)

	Notes	Six months ended 30 June 2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
Financing activities			
Proceeds from issue of shares		607,305	–
Payments to non-controlling shareholders due to disposal of a subsidiary		(141)	–
Capital contributions from/(reduction by) non-controlling shareholders of subsidiaries		99,497	(13,817)
New bank loans and other loans		227,212	668,539
Repayment of bank loans		(199,735)	(205,389)
Interest paid		(37,492)	(53,918)
Dividends paid to shareholders of the Company		(24,805)	(2,039,959)
Dividends paid to non-controlling shareholders of subsidiaries		(5,397)	(96,771)
Capital element of lease rentals paid		(475,397)	(160,583)
Interest element of lease rentals paid		(81,334)	(41,560)
Repayment of the loans from the original shareholders of a subsidiary		(410,610)	–
Others		–	(10,838)
Net cash flows used in financing activities		(300,897)	(1,954,296)
Net decrease in cash and cash equivalents		(6,253,291)	(1,233,987)
Cash and cash equivalents at beginning of period		33,739,584	34,773,157
Effect of foreign exchange rate changes, net		(434,367)	(217,155)
Cash and cash equivalents at end of period	17	27,051,926	33,322,015
Analysis of balances of cash and cash equivalents			
Cash and bank balances		14,654,023	28,204,780
Non-pledged time deposits		12,397,903	5,117,235
Cash and cash equivalents as stated in the interim condensed consolidated statement of financial position		27,051,926	33,322,015
Cash and cash equivalents as stated in the interim condensed consolidated statement of cash flows	17	27,051,926	33,322,015

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

1. GENERAL INFORMATION

China Tourism Group Duty Free Corporation Limited (formerly known as China International Travel Service Corporation Limited) (the "Company") was a joint stock company incorporated in the People's Republic of China (the "PRC") with limited liability on 28 March 2008. The Company's A shares have been listed on the main board of the Shanghai Stock Exchange (stock code: 601888) since October 2009. The Company's H shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock code: 1880) on 25 August 2022.

The Company and its subsidiaries (together, "the Group") are principally engaged in the sales of merchandise and the provision of related services through its travel retail business.

The Company is immediately controlled by China Tourism Group Co., Ltd., and is ultimately controlled by the State-owned Assets Supervision and Administration Commission of the State Council of the PRC.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with IAS 34 *Interim Financial Reporting*.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2025.

The interim condensed consolidated financial information is presented in Renminbi ("RMB"), and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended IFRS Accounting Standards for the first time for the current period's financial information.

Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to IFRS Accounting Standards-Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies (CONTINUED)

The nature and impact of the amended IFRS Accounting Standards are described below:

(a) Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(b) Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the"own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(c) *Annual Improvements to IFRS Accounting Standards*-Volume 11 set out narrow scope amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding IFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

3. SEGMENT INFORMATION

For management purposes, the Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other operating segments. No operating segments have been aggregated to form the following reportable segments.

A summary of details of the operating segments is as follows:

(i) Travel retail ("Retail")

The Group currently offers a comprehensive series of duty-free and duty-paid merchandise to customers in regions such as the Chinese mainland, Hong Kong SAR, Macau SAR and Cambodia, through its travel retail business. This segment engages in the sales of duty-free and duty-paid merchandise and generates revenue from the provision of related services.

(ii) Investment and development of integrated travel retail complex ("Property")

This segment engages in the development of integrated travel retail complex and the development of properties for sale, and related property leasing to generate rental income.

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible and intangible assets and current assets. Segment liabilities include all trade and other payables, and lease liabilities attributable to the activities of the individual segments and interest-bearing borrowings managed directly by the segments except that the assets and liabilities of the Company are presented in "corporate and elimination" without allocating the related segment assets and liabilities between the Retail segment and the Property segment.

3. SEGMENT INFORMATION (CONTINUED)

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments except that the operational results of the Company are allocated in the Retail segment without allocating the related operational results between the Retail segment and the Property segment. Segment profit includes the Group's share of profit/loss arising from the activities of the Group's joint ventures and associates.

The following tables present revenue and results for the Group's operating segments for the six months ended 30 June 2026 and 2025:

Six months ended 30 June 2026	Retail (Unaudited) RMB'000	Property (Unaudited) RMB'000	Subtotal (Unaudited) RMB'000	Corporate and elimination (Unaudited) RMB'000	Total (Unaudited) RMB'000
Revenue from external customers	27,363,006	292,196	27,655,202	–	27,655,202
Inter-segment revenue	–	660,159	660,159	(660,159)	–
Reportable segment revenue	27,363,006	952,355	28,315,361	(660,159)	27,655,202
Share of profits and losses of associates and joint ventures, net	(58,466)	(15,568)	(74,034)	–	(74,034)
Write-down of inventories	(121,793)	–	(121,793)	–	(121,793)
Impairment loss on trade and other receivables	(4,742)	–	(4,742)	–	(4,742)
Depreciation and amortisation	(1,175,890)	(212,032)	(1,387,922)	390,446	(997,476)
Reportable segment profit before taxation	3,286,124	383,471	3,669,595	79,352	3,748,947
Income tax	(570,965)	(98,742)	(669,707)	(6,063)	(675,770)
Reportable segment net profit	2,715,159	284,729	2,999,888	73,289	3,073,177

Notes to interim condensed consolidated financial information

3. SEGMENT INFORMATION (CONTINUED)

Six months ended 30 June 2025	Retail (Unaudited) RMB'000	Property (Unaudited) RMB'000	Subtotal (Unaudited) RMB'000	Corporate and elimination (Unaudited) RMB'000	Total (Unaudited) RMB'000
Revenue from external customers	27,813,663	337,087	28,150,750	–	28,150,750
Inter-segment revenue	–	717,729	717,729	(717,729)	–
Reportable segment revenue	27,813,663	1,054,816	28,868,479	(717,729)	28,150,750
Share of profits and losses of associates and joint ventures, net	(10,696)	(9,805)	(20,501)	–	(20,501)
Write-down of inventories	(233,800)	–	(233,800)	–	(233,800)
Impairment loss on trade and other receivables	(1,447)	–	(1,447)	–	(1,447)
Depreciation and amortisation	(925,591)	(208,859)	(1,134,450)	462,391	(672,059)
Reportable segment profit before taxation	3,083,906	441,285	3,525,191	170,638	3,695,829
Income tax	(664,982)	(94,147)	(759,129)	(6,317)	(765,446)
Reportable segment net profit	2,418,924	347,138	2,766,062	164,321	2,930,383

	Retail RMB'000	Property RMB'000	Corporate and elimination RMB'000	Total RMB'000
Segment assets				
30 June 2026 (unaudited)	**73,275,592**	**14,923,687**	**(3,321,816)**	**84,877,463**
31 December 2025 (audited)	69,057,095	14,546,097	(8,711,769)	74,891,423
Segment liabilities				
30 June 2026 (unaudited)	**26,475,869**	**6,502,059**	**(11,183,318)**	**21,794,610**
31 December 2025 (audited)	24,294,641	6,409,198	(16,846,494)	13,857,345

3. SEGMENT INFORMATION (CONTINUED)

The following tables set out information about the geographical locations of (i) the Group's revenue from external customers and (ii) the Group's investment properties, right-of-use assets, other property, plant and equipment, intangible assets, goodwill, interests in associates and joint ventures and other non-current assets ("specified non-current assets"). The analysis of geographical location of customers is based on the location at which the services are provided or the goods are delivered. The geographical locations of the specified non-current assets is based on (i) the physical location of the asset, in the case of investment properties, right-of-use assets, other property, plant and equipment, intangible assets and other non-current assets; (ii) the location of the operation to which they are allocated, in the case of goodwill, and (iii) the location of operations, in the case of interests in associates and joint ventures.

Revenue from external customers

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Chinese mainland	**24,310,909**	25,879,388
Hong Kong SAR, Macau SAR and overseas	**3,344,293**	2,271,362
Total	**27,655,202**	28,150,750

Specified non-current assets

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Chinese mainland	**21,243,548**	17,211,744
Hong Kong SAR, Macau SAR and overseas	**4,225,427**	451,271
Total	**25,468,975**	17,663,015

4. REVENUE

The Group generates revenue primarily from the sales of merchandise and properties, and the provision of related services through its travel retail business. Other sources of revenue include rental income from the leasing of investment properties. Further details regarding the Group's principal activities are disclosed in Note 3. Disaggregation of revenue from contracts with customers by major service line is as follows:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Revenue from contracts with customers		
Sale of merchandise		
– Duty-free	21,727,885	20,342,803
– Duty-paid	5,121,642	7,188,569
Others	546,197	485,126
Subtotal	27,395,724	28,016,498
Revenue from other sources		
Rental income from investment properties	259,478	134,252
Total	27,655,202	28,150,750

For the six months ended 30 June 2026, the Group had revenue from contracts with customers recognised over time of RMB68,187,000 (six months ended 30 June 2025: RMB44,567,000). All revenue from sales of merchandise and the remaining service income were recognised at a point in time.

The Group's customer base is diversified. No revenue amounting to 10% or more of the Group's total revenue was derived from sales to a single customer.

5. OTHER INCOME AND OTHER NET GAINS

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Interest income from financial assets measured at amortised cost	404,233	474,028
Net exchange gains	143,247	193,881
Others	36,833	26,064
Total	584,313	693,973

6. PROFIT BEFORE TAXATION

The Group's profit before taxation is arrived at after charging:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Finance costs		
Interest expenses on interest-bearing borrowings	**35,137**	44,082
Interest expenses on lease liabilities	**93,273**	44,110
Total	**128,410**	88,192
Staff costs		
Salaries, wages and other benefits	**1,507,935**	1,401,280
Contribution to defined contribution retirement plans	**137,256**	143,758
Total	**1,645,191**	1,545,038
Other items		
Cost of inventories	**18,350,387**	19,063,844
Depreciation and amortisation of:		
– Investment properties	**24,759**	22,996
– Right-of-use assets	**570,244**	248,968
– Other property, plant and equipment	**326,445**	381,625
– Intangible assets	**76,028**	18,470
Total	**997,476**	672,059
Lease expenses not included in the measurement of lease liabilities:		
– Variable leases and short-term leases (i)	**1,747,730**	2,197,767
Licensing fees for duty-free operation	**632,978**	560,039

(i) Variable lease payments that do not depend on an index or rate and short-term leases that have a lease term of 12 months or less are not included in the measurement of the lease liabilities and hence are charged to profit or loss in the accounting period in which they are incurred in accordance with IFRS 16 *Leases*.

Notes to interim condensed consolidated financial information

7. INCOME TAX EXPENSE

The amount of income tax expense charged to profit or loss represents:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Current tax – Hong Kong Profits Tax		
Provision for corporate income tax ("CIT") for the period	**288,295**	228,536
Current tax – Chinese mainland (including Macau SAR) and elsewhere		
Provision for CIT for the period	**444,121**	428,048
(Overprovision)/underprovision for CIT in respect of the prior periods	**(3,148)**	20,470
Current tax		
PRC land appreciation tax ("LAT")	**3,089**	3,969
Deferred tax	**(56,587)**	84,423
Total tax charge for the period	**675,770**	765,446

(i) The Company and the subsidiaries of the Group established in the PRC (excluding Hong Kong SAR and Macau SAR) are subject to the PRC Corporate Income Tax at a rate of 25% (six months ended 30 June 2025: 25%).

(ii) The subsidiaries of the Group incorporated in Hong Kong SAR are subject to Hong Kong Profits Tax at a rate of 16.5% (six months ended 30 June 2025: 16.5%) and the subsidiaries of the Group incorporated in Macau SAR are subject to Macau Profits Tax at a rate of 12% (six months ended 30 June 2025: 12%). The subsidiary of the Group incorporated in Cambodia is subject to income tax at a rate of 20% (six months ended 30 June 2025: 20%). The subsidiary of the Group incorporated in Sri Lanka is subject to income tax at a rate of 30% (six months ended 30 June 2025: 30%). The subsidiary of the Group incorporated in Singapore is subject to income tax at a rate of 17% (six months ended 30 June 2025: 17%).

Among the subsidiaries incorporated in Hong Kong SAR, China Duty Free International Limited is eligible for the 8.25% tax band under the two-tiered tax rates regime introduced by the Hong Kong SAR Government. The provision for Hong Kong Profits Tax of this subsidiary was calculated on the same basis for the six months ended 30 June 2026 and 2025.

7. INCOME TAX EXPENSE (CONTINUED)

(iii) In accordance with the Announcement on Further Tax Policies to Support the Development of Small and Micro Enterprises and Individual Business Households (Cai Shui [2023] No. 12), the preferential corporate income tax policy for Small and Micro Enterprises which provides that, for annual taxable income shall be deducted to 25% of the taxable income and subject to income tax at a rate of 20% has been extended and will remain effective until 31 December 2027. A Small and Micro Enterprise refers to an enterprise engaged in industries that are neither restricted nor prohibited by the state, and simultaneously meets the following three criteria: (a) annual taxable income does not exceed RMB3 million; (b) number of employees does not exceed 300; and (c) total assets do not exceed RMB50 million.

(iv) According to the "Notice on Preferential Policies for Enterprise Income Tax in Hainan Free Trade Port" (Cai Shui [2020] No. 31) and the "Notice on Continued Preferential Policies for Enterprise Income Tax in Hainan Free Trade Port" (Cai Shui [2025] No. 3), published by the Ministry of Finance and the State Administration of Taxation effective on 23 June 2020 and 24 January 2025, respectively, a qualified encouraged industrial enterprise registered in the Hainan Free Trade Port ("Hainan FTP") of the PRC is entitled to a preferential corporate income tax rate of 15% from 1 January 2020 to 31 December 2027. In addition, a qualified industrial enterprise registered in the Hainan FTP of the PRC will further enjoy preferential corporate income tax at a rate of 15% for the calendar years from 2025 to 2035.

The Group's eleven subsidiaries in the Hainan FTP are eligible for the abovementioned preferential corporate income tax rate of 15% as being determined as primarily engaged in the government encouraged duty-free business in China.

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

8. EARNINGS PER SHARE

Basic earnings per share during the period was calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. There were no dilutive potential ordinary shares during the period.

The calculation of basic earnings per share is based on:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Profit attributable to equity shareholders of the Company for the period (in RMB'000)	**3,133,682**	2,621,899
Weighted average number of ordinary shares (in '000)	**2,073,328**	2,068,859
Basic earnings per share (in RMB)	**1.5114**	1.2673

9. INVESTMENT PROPERTIES

	Amount RMB'000
Cost:	
At 1 January 2026	967,046
Transfer from other property, plant and equipment	148,473
Transfer to other property, plant and equipment	(25,778)
Transfer from right-of-use assets	25,335
Transfer to right-of-use assets	(81)
Other	(88)
At 30 June 2026 (unaudited)	1,114,907
Accumulated amortisation:	
At 1 January 2026	(148,620)
Charge for the period	(24,759)
Transfer from other property, plant and equipment	(13,463)
Transfer to other property, plant and equipment	647
Transfer from right-of-use assets	(5,159)
Transfer to right-of-use assets	9
At 30 June 2026 (unaudited)	(191,345)
Carrying amount:	
At 30 June 2026 (unaudited)	923,562
At 1 January 2026	818,426

The Group has applied the cost model for its investment properties and typically assesses their fair value at the end of each year. The fair value of the Group's investment properties as of 31 December 2025 was evaluated by an independent professional valuer, China Alliance Appraisal Co., Ltd..

At 30 June 2026, the Group's investment properties with a carrying value of RMB556,205,000 (31 December 2025: RMB569,182,000) were pledged to secure general banking facilities granted to the Group (Note 21).

10. RIGHT-OF-USE ASSETS

	Ownership interests in leasehold land for own use RMB'000	Buildings RMB'000	Total RMB'000
Cost:			
At 1 January 2026	2,374,383	4,142,121	6,516,504
Additions	–	3,661,424	3,661,424
Acquisition of a subsidiary	–	2,103,172	2,103,172
Disposals	–	(654,520)	(654,520)
Modification	–	(331,751)	(331,751)
Transfer from investment properties	81	–	81
Transfer to investment properties	(25,335)	–	(25,335)
Exchange differences	–	(80,611)	(80,611)
At 30 June 2026 (unaudited)	2,349,129	8,839,835	11,188,964
Accumulated depreciation:			
At 1 January 2026	(572,111)	(2,806,331)	(3,378,442)
Charge for the period	(28,893)	(550,378)	(579,271)
Written back on disposals	–	917,018	917,018
Transfer from investment properties	(9)	–	(9)
Transfer to investment properties	5,159	–	5,159
Exchange differences	–	34,877	34,877
At 30 June 2026 (unaudited)	(595,854)	(2,404,814)	(3,000,668)
Carrying amount:			
At 30 June 2026 (unaudited)	1,753,275	6,435,021	8,188,296
At 1 January 2026	1,802,272	1,335,790	3,138,062

At 30 June 2026, certain of the Group's land use rights with a net carrying amount of approximately RMB479,493,000 (31 December 2025: RMB487,594,000) were pledged to secure general banking facilities granted to the Group (Note 21).

10. RIGHT-OF-USE ASSETS (CONTINUED)

(a) The analyses of the carrying amounts of the Group's right-of-use assets by class of underlying assets are as follows:

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Included in "Right-of-use assets":		
– Ownership interests in leasehold land for own use	1,753,275	1,802,272
– Buildings	6,435,021	1,335,790
Subtotal	8,188,296	3,138,062
Included in "Investment properties":		
– Ownership interests in leasehold land held for lease	135,205	118,750
Total	8,323,501	3,256,812

(b) The analyses of expense items in relation to leases recognised in profit or loss are as follows:

	Six months ended 30 June	
	2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
Depreciation charges of right-of-use assets by class of underlying assets:		
– Ownership interests in leasehold land for own use	19,866	22,604
– Buildings	550,378	226,364
– Ownership interests in leasehold land held for lease	3,649	3,452
Total	573,893	252,420
Interest expenses on lease liabilities (Note 6)	93,273	44,110
Variable lease payments not included in the measurement of lease liabilities (Note 6)	1,747,730	2,197,767

10. RIGHT-OF-USE ASSETS (CONTINUED)

(c) Ownership interests in leasehold land for own use

The Group has obtained land use rights in the Chinese mainland where certain retail complexes are located. The land use rights are typically granted for 30 to 50 years, on the expiry of which the land reverts to the PRC state. The payment for leasing the land is normally made in full at the start of the land use right period.

(d) Other properties leased for own use

The Group mainly leases various retail stores, offices, delivery pick-up points and warehouses. Rental contracts are typically entered into for fixed periods of 3 to 20 years for retail stores and 2 to 10 years for offices and warehouses.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Some property leases contain variable payment terms that are linked to factors such as sales generated from a store or the number of passengers. Variable lease payments that depend on such factors are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Extension and termination options are included in certain property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

11. OTHER PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Machinery and equipment RMB'000	Motor vehicles RMB'000	Furniture and others RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
Cost:							
At 1 January 2026	7,921,173	88,392	116,249	247,477	3,260,674	1,759,284	13,393,249
Additions	–	13	1,185	17,306	106,242	614,780	739,526
Acquisition of a subsidiary	–	–	–	50,844	163,254	–	214,098
Disposals	–	(957)	(2,135)	(10,722)	–	–	(13,814)
Transfer within other property, plant and equipment	–	–	–	–	116,888	(116,888)	–
Transfer to investment properties	(148,473)	–	–	–	–	–	(148,473)
Transfer from investment properties	25,778	–	–	–	–	–	25,778
Other	(600)	–	–	–	–	–	(600)
Exchange differences	–	(105)	(212)	(1,691)	(5,421)	(14)	(7,443)
At 30 June 2026 (unaudited)	7,797,878	87,343	115,087	303,214	3,641,637	2,257,162	14,202,321
Accumulated depreciation:							
At 1 January 2026	(1,769,139)	(45,222)	(98,848)	(173,023)	(2,372,701)	–	(4,458,933)
Charge for the period	(113,627)	(6,747)	(2,286)	(21,577)	(182,208)	–	(326,445)
Transfer from investment properties	(647)	–	–	–	–	–	(647)
Transfer to investment properties	13,463	–	–	–	–	–	13,463
Write-back on disposals	–	906	2,028	1,953	–	–	4,887
Exchange differences	–	69	174	1,353	–	–	1,596
At 30 June 2026 (unaudited)	(1,869,950)	(50,994)	(98,932)	(191,294)	(2,554,909)	–	(4,766,079)
Impairment losses:							
At 1 January 2026 and 30 June 2026 (unaudited)	–	(1,409)	(731)	(5,322)	–	(270)	(7,732)
Carrying amount:							
At 30 June 2026 (unaudited)	5,927,928	34,940	15,424	106,598	1,086,728	2,256,892	9,428,510
At 1 January 2026	6,152,034	41,761	16,670	69,132	887,973	1,759,014	8,926,584

11. OTHER PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

At 30 June 2026, the Group was in the process of obtaining ownership certificates for buildings with an aggregate carrying amount of RMB1,478,121,000 (31 December 2025: RMB1,498,826,000). There are three buildings that have not obtained ownership certificates. The carrying amounts of the buildings in the process of obtaining ownership certificates are calculated based on the relative proportion of total area in this period. Notwithstanding this, the directors are of the opinion that the Group owned the beneficial title to these buildings and the aforesaid matter will not have any significant impact on the Group's financial position as at the end of the reporting period.

At 30 June 2026, certain of the Group's buildings with a net carrying amount of approximately RMB2,057,141,000 (31 December 2025: RMB2,093,962,000) were pledged to secure general banking facilities granted to the Group (Note 21).

12. INTANGIBLE ASSETS

	Amount RMB'000
Cost:	
At 1 January 2026	413,919
Additions	8,967
Acquisition of a subsidiary	1,507,971
Disposals	(1,613)
Exchange differences	(2,057)
At 30 June 2026 (unaudited)	1,927,187
Accumulated amortisation:	
At 1 January 2026	(203,832)
Charge for the period	(76,028)
Disposals	1,613
Exchange differences	969
At 30 June 2026 (unaudited)	(277,278)
Carrying amount:	
At 30 June 2026 (unaudited)	1,649,909

13. GOODWILL

	Amount RMB'000
At 1 January 2026	
Cost	822,660
Accumulated impairment	(337,859)
Net carrying amount	484,801
Cost at 1 January 2026, net of accumulated impairment	
Acquisition of a subsidiary	784,678
Cost and net carrying amount at 30 June 2026	1,269,479
At 30 June 2026: (unaudited)	
Cost	1,607,338
Accumulated impairment	(337,859)
Net carrying amount	1,269,479

The carrying amount of goodwill after impairment allocated to a group of cash-generating units are as follows:

	30 June 2026 RMB'000	31 December 2025 RMB'000
Shanghai operations	484,601	484,601
Xi'an xianyang airport operations	200	200
DFS operations	784,678	–
	1,269,479	484,801

The Group performs annual impairment test on goodwill at the end of the reporting year. For Shanghai operations, the recoverable amount of the cash-generating unit was determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period.

13. GOODWILL (CONTINUED)

The weighted average growth rates in revenue within the forecast period are determined based on the average growth rate achieved in the recent period before the budget year, adjusted for expected market development. The long-term growth rate used over the forecast period, which is 1.1% (31 December 2025: 1.1%), does not exceed the long-term average growth rate in relevant industry reports. The pre-tax discount rate of 15.65% (31 December 2025: 15.65%) adopted reflected the current market assessment of the time value of money and the risks specific to Shanghai operations CGU.

The goodwill, amounting to RMB784,678,000, arose from the business combination of DFS operations, further details of which are given in Note 23, on 19 March 2026. The recoverable amount of asset group was RMB2,683 million on 30 June 2026, which was higher than the carrying amount including the goodwill, amounting to RMB2,354 million, of DFS operations. There was no impairment of goodwill on 30 June 2026.

The goodwill, amounting to RMB200,000, arose from the business combination of Xi'an xianyang airport operations on 24 December 2024. The recoverable amount of asset group was RMB3.53 million on 30 June 2026, which was higher than the carrying amount including the goodwill, amounting to RMB0.79 million, of Xi'an xianyang airport operations. There was no impairment of goodwill on 30 June 2026.

14. INVENTORIES

Inventories in the condensed consolidated statement of financial position comprise:

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Properties under development and completed properties held for sale	**1,301,017**	1,434,539
Merchandise held for trading	**15,887,631**	13,867,083
Total	**17,188,648**	15,301,622

At 30 June 2026, certain of the Group's completed properties held for sale with a net carrying amount of approximately RMB994,373,000 (31 December 2025: RMB1,160,919,000) were pledged to secure general banking facilities granted to the Group (Note 21).

15. TRADE AND OTHER RECEIVABLES

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Non-current:		
Deposits and other receivables	460,818	332,221
Current:		
Trade receivables (i)	717,039	436,591
Prepayments for purchases of merchandise	1,065,864	835,949
Prepayments for variable and short-term leases	2,229	2,638
Value-added tax recoverable	1,325,802	1,125,207
Lease and other deposits	535,282	745,517
Time deposits (ii)	9,027,293	2,991,243
Others	1,074,791	965,755
Subtotal	13,748,300	7,102,900
Total	14,209,118	7,435,121

(i) The Group's trade receivables related to credit card sales and sales through on-line channels, the ageing of which is mainly within one year. The ageing of trade receivables is determined based on the invoice date.

Except for lease and other deposits and completed properties held for sale classified as non-current assets, all of the remaining trade and other receivables are expected to be recovered or recognised as expenses within one year.

(ii) The balance represents time deposits purchased from CTG Finance or a creditworthy licensed bank in the Chinese mainland earning interest at a fixed rate of 1.75% or 1.10% per annum (31 December 2025: 1.75% or 1.10% per annum) with an original maturity period of 6 months. The time deposits are redeemable upon holding for more than three months. The contractual terms of the time deposits give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and are held within a business model with the objective to hold in order to collect contractual cash flows. For such purpose, the time deposits are accounted for as financial assets at amortised cost.

16. OTHER NON-CURRENT ASSETS

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Completed properties held for sale (i)	527,327	529,129

(i) Completed properties held for sale are available for sale after the properties have obtained the overall pre-sale approval documents or the new residential delivery licences with a term of 10 years according to the requirements of Haikou Land and Resources Bureau.

At 30 June 2026, there were no completed properties held for sale (31 December 2025: RMB529,129,000) pledged to secure general banking facilities granted to the Group (Note 21).

17. CASH AND TIME DEPOSITS

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Cash at banks and on hand	2,422,331	10,329,614
Deposits at CTG Finance Company Limited, ("CTG Finance"), a related financial institution	12,231,692	8,968,620
Time deposits	12,425,538	14,483,011
Cash and time deposits	27,079,561	33,781,245
Less: Interest receivable from time deposits	27,635	41,661
Cash and cash equivalents	27,051,926	33,739,584
Cash and cash equivalents included in the condensed consolidated statement of cash flows	27,051,926	33,739,584

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Restricted bank deposits	100,000	–

At 30 June 2026, the restricted bank deposits mainly represented deposits relating to certain subsidiaries' duty-free business stipulated by a certain authority to be held in specified bank accounts with restricted usage.

18. TRADE AND OTHER PAYABLES

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Non-current:		
Rental deposits received	71,396	–
Current:		
Trade payables	4,634,467	2,934,083
Payables for property constructions	1,147,394	1,014,156
Dividends payable	947,140	42,826
Employee benefits payable	540,831	899,017
Licensing fees payable	630,383	1,048,502
Other taxes payable	89,879	109,311
Variable and short-term lease and other operating expenses payable	875,759	655,726
Others	557,372	469,389
Subtotal	9,423,225	7,173,010
Total	9,494,621	7,173,010

An ageing analysis of the Group's trade payables, based on the invoice date, is as follows:

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Within 1 year	4,429,261	2,082,662
1 to 2 years	82,666	781,364
2 to 3 years	66,923	31,295
Over 3 years	55,617	38,762
Total	4,634,467	2,934,083

19. CONTRACT LIABILITIES

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Customer loyalty program liabilities (i)	669,237	621,459
Advances received from customers (ii)	417,530	395,241
Total	1,086,767	1,016,700

(i) The Group provides several customer loyalty programs to customers with which points can be earned by customers and to be used to reduce the cost of future purchases. The contract liabilities in respect of unredeemed customer loyalty points will be recognised as revenue when the points are redeemed by those customers or expire, which is expected to occur before the end of the following three years based on the expiry terms of the loyalty points.

(ii) The amounts of considerations received in advance as prepayments by customers are short term as the corresponding revenue is mainly expected to be recognised within a few days when the goods or services are accepted by customers.

20. DEFERRED TAX

(i) Movements of each component of deferred tax assets and liabilities

The component of deferred tax assets and liabilities before offsetting and the movements throughout the period are as follows:

Deferred tax liabilities

	Fair value adjustments arising from acquisition of a subsidiary RMB'000	Right-of-use assets RMB'000	Other temporary differences RMB'000	Total RMB'000
At 1 January 2026	31,619	303,146	441	335,206
(Credited)/charged to profit or loss (Note 7)	(9,038)	667,476	418	658,856
Acquisition of a subsidiary	181,122	238,705	3,156	422,983
At 30 June 2026 (unaudited)	203,703	1,209,327	4,015	1,417,045

20. DEFERRED TAX (CONTINUED)

(i) Movements of each component of deferred tax assets and liabilities (CONTINUED)

Deferred tax assets

	Unused tax losses RMB'000	Unrealised profits for inter-company transactions RMB'000	Customer loyalty programs RMB'000	Lease liabilities RMB'000	Accruals and other temporary differences RMB'000	Total RMB'000
At 1 January 2026	250,005	302,943	102,214	274,717	42,318	972,197
Credited/(charged) to profit or loss (Note 7)	10,952	10,106	(10,753)	706,921	(1,783)	715,443
Acquisition of a subsidiary	–	–	–	264,812	10,012	274,824
Exchange differences	–	–	–	–	(506)	(506)
At 30 June 2026 (unaudited)	260,957	313,049	91,461	1,246,450	50,041	1,961,958

(ii) The deferred tax assets and liabilities after offsetting are as follows:

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	770,264	670,616
Net deferred tax liabilities recognised in the consolidated statement of financial position	225,351	33,625

21. INTEREST-BEARING BORROWINGS

The Group's interest-bearing borrowings are analysed as follows:

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Non-current:		
Bank borrowings		
– Secured (i)	2,575,786	2,638,771
Loans from China Tourism Group Co., Ltd. and its subsidiaries other than the Group ("CTG Group") (iv)	–	209,909
Subtotal	2,575,786	2,848,680
Current:		
Bank borrowings		
– Secured (i)	180,394	281,084
– Unsecured (ii)	308,476	226,682
Loans from non-controlling shareholders (iii)	142,509	148,834
Loans from CTG Group (iv)	313,205	–
Subtotal	944,584	656,600
Total	3,520,370	3,505,280

(i) As at 30 June 2026, the Group has drawn down floating interest bank loans amounting to RMB2,272,620,000 (31 December 2025: RMB2,362,816,000), carrying interest at five-year loan prime rate ("LPR") minus 1.5% per annum (31 December 2025: five-year LPR minus 1.5% per annum), which are secured by certain properties of the Group with a carrying amount of RMB3,092,839,000 (31 December 2025: RMB3,150,738,000), further details of which were disclosed in Note 9, Note 10, Note 11 and Note 16. These bank loans were drawn down from the term loan facilities, which will be due in year 2037 with instalment repayment schedule during the terms. The Group has drawn down floating interest bank loans amounting to RMB483,560,000 (31 December 2025: RMB557,039,000), carrying interest at one-year LPR minus 0.56% per annum (31 December 2025: five-year LPR minus 0.56% per annum), which are secured by certain properties of the Group with a carrying amount of RMB994,373,000 (31 December 2025: RMB1,690,048,000), further details of which were disclosed in Note 14 and Note 16.

(ii) As at 30 June 2026, the Group has drawn down unsecured floating interest bank loans amounting to HK$240,000,000 (equivalent to RMB208,452,000) (31 December 2025: HK$250,000,000 (equivalent to RMB225,805,000)), carrying interest at three-month Hong Kong Interbank Offered Rate ("HIBOR") plus 1.5% per annum (31 December 2025: three-month HIBOR plus 1.5%) and an unsecured floating interest bank loan amounting to RMB100,000,000, carrying interest at three-month LPR minus 0.89% per annum.

(iii) As at 30 June 2026, the Group has drawn down unsecured floating interest loans amounting to HK$40,000,000 (equivalent to RMB34,742,000) (31 December 2025: HK$40,000,000 (equivalent to RMB36,129,000)), carrying interest at three-month HIBOR plus 2.0% per annum (31 December 2025: three-month HIBOR plus 2.0% per annum) and an unsecured fixed interest loan amounting to MOP127,400,000 (equivalent to RMB107,334,000) (31 December 2025: MOP127,400,000 (equivalent to RMB111,637,000)).

(iv) As at 30 June 2026, the Company has drawn down shareholders' loans amounting to RMB200,000,000 (31 December 2025: RMB200,000,000) from CTG Group, carrying interest at 2.80% per annum (31 December 2025: 2.80%) and unsecured floating interest loans amounting to RMB100,000,000 from CTG Group, carrying interest at one-year LPR minus 0.89% per annum.

22. CAPITAL AND DIVIDENDS

(i) Dividends

Dividends declared to the equity shareholders of the Company for the six months ended 30 June 2026 and 2025 are as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Final dividend in respect of the previous year, declared in the following year	935,008	2,172,302
Dividend per ordinary share (RMB)	0.45	1.05

(ii) Share capital

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Registered, issued and fully paid: 2,077,796,644 (31 December 2025: 2,068,859,044) ordinary shares	2,077,797	2,068,859

On 19 March 2026, the Company issued, at a subscription price of HK$77.21 per share, a total of 8,937,600 new H shares, comprising 5,474,300 new H shares to Delphine SAS and 3,463,300 new H shares to Shoppers Holdings HK Limited.

23. BUSINESS COMBINATION

On 19 March 2026, China Duty Free International Limited, a subsidiary of the Company, acquired 100% equity interests in DFS Cotai Limitada, the relevant assets of one retail store and the intangible assets of DFS in Greater China (collectively referred to as the "DFS operations") from DFS Venture Singapore (Pte) Limited and DFS Group Limited at a consideration of USD306,354,000 (equivalent to RMB2,113,077,000). The DFS operations are principally engaged in duty-free and general merchandise retail businesses. The acquisition represents the Group's strategic initiative to accelerate its expansion in the global travel retail market and continuously strengthen its international competitiveness. As of 30 June 2026, the consideration was fully paid.

23. BUSINESS COMBINATION (CONTINUED)

The fair values of the identifiable assets and liabilities of the DFS operations as at the date of acquisition were as follows:

	Notes	Fair value recognised on acquisition RMB'000
Other property, plant and equipment	11	214,098
Intangible assets		1,507,971
Right-of-use assets	10	2,103,172
Deferred tax assets		32,963
Other non-current assets		22,535
Cash and time deposits		284,025
Trade and other receivables		258,387
Inventories		369,299
Trade and other payables		(826,687)
Contract liabilities		(7,366)
Income tax payable		(6,457)
Lease liabilities		(2,308,199)
Deferred tax liabilities		(181,122)
Other non-current liabilities		(134,220)
Total identifiable net assets at fair value		1,328,399
Goodwill on acquisition		784,678
Satisfied by cash		2,113,077

An analysis of the cash flows in respect of the acquisition of the DFS operations is as follows:

	RMB'000
Cash consideration	2,113,077
Cash and bank balances acquired	(284,025)
Total net cash outflow	1,829,052

Since the acquisition, the DFS operations contributed RMB746,388,000 to the Group's revenue and RMB10,801,000 to the consolidated profit for the six months ended 30 June 2026.

24. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Purchase of property, plant and equipment	228,459	229,140

25. MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES

(i) Transactions with CTG Group

The following is a summary of principal related party transactions entered into by the Group with CTG Group for the periods ended 30 June 2026 and 2025.

	Six months ended 30 June	
	2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
Sales of merchandise income (a)	1,125	–
Service fee income (b)	698	1,167
Service fees paid/payable (c)	56,265	67,959
Rental expenses paid/payable (d)	138	74
Rental income (e)	4,693	5,503
Interest income (f)	107,885	81,617
Interest expenses (g)	3,296	2,816

Notes:

(a) Sales of merchandise income represents revenue derived from sales of goods to fellow subsidiaries.

(b) Service fee income mainly represents income from promotional services provided to fellow subsidiaries.

(c) Service fees paid/payable represent fees paid/payable for promotional services, property management services, transportation services and ticketing services provided by fellow subsidiaries.

(d) Rental expenses paid/payable represent expenses related to short-term leases of offices provided by fellow subsidiaries.

(e) Rental income represents income derived from the leasing of properties to fellow subsidiaries.

(f) Interest income represents interest earned from deposits in CTG Finance. The applicable interest rate is determined in accordance with the prevailing interest rates published by the People's Bank of China.

(g) Interest expense represents interest incurred on the shareholder's loan from CTG Group and an unsecured floating interest loan from CTG Group.

25. MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(i) Transactions with CTG Group (CONTINUED)

The outstanding balances related to transactions with CTG Group are included in the following accounts as follows:

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Deposits at CTG Finance	16,031,692	11,468,620
Loans from CTG Group	313,205	209,909
Trade and other receivables	21,324	17,435
Trade and other payables	20,067	23,594
Contract liabilities	36	–

These amounts arise in the ordinary course of business with terms determined through mutual negotiation which are fair and reasonable.

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Guarantees provided by CTG Finance	357,068	408,010

(ii) Principal transactions with associates and joint ventures of the Group

The following is a summary of principal related party transactions entered into by the Group with the associates and joint ventures of the Group for the periods ended 30 June 2026 and 2025, the terms of which are fair and reasonable.

	Six months ended 30 June	
	2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
Merchandise sales income (a)	166,963	203,775
Service fee income (b)	10,973	6,590
Service fees paid/payable (c)	79,380	268,320
Rental income (d)	1,234	1,626
Rental expenses paid/payable	2,444	2,504

25. MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(ii) Principal transactions with associates and joint ventures of the Group (CONTINUED)

Notes:

(a) Merchandise sales income represents revenue derived from sales of duty-free goods to associates and joint ventures of the Group.

(b) Service fee income mainly represents income from promotional services provided to associates and a joint venture of the Group.

(c) Service fees paid/payable mainly represent fees paid/payable for online platform services and promotional services provided by associates and a joint venture of the Group.

(d) Rental income represents the income derived from the leasing of properties to a joint venture of the Group.

The outstanding balances related to transactions with the associates and joint ventures of the Group are included in the following accounts as follows:

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Trade and other receivables	133,995	261,033
Trade and other payables	52,920	79,262
Contract liabilities	31,251	15,843

(iii) Principal transactions with the associates of CTG's subsidiaries

The following is a summary of the principal related party transactions entered into by the Group with the associates of CTG's subsidiaries for the periods ended 30 June 2026 and 2025, the terms of which are fair and reasonable.

	Six months ended 30 June	
	2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
Service fees paid/payable (a)	2,785	1,595
Rental expenses paid/payable	22,618	–

Note:

(a) Service fees paid/payable mainly represent the fees related to online platform services and promotional services provided by associates of CTG's subsidiaries.

25. MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(iii) Principal transactions with the associates of CTG's subsidiaries (CONTINUED)

The outstanding balances related to transactions with associates of CTG's subsidiaries are included in the following accounts caption summarised as follows:

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Trade and other receivables	**24,320**	7,756
Trade and other payables	**9,447**	1,008

(iv) Key management personnel remuneration

	Six months ended 30 June	
	2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
Short-term employee benefits	**6,094**	7,775
Discretionary bonuses	**10,881**	5,110
Total	**16,975**	12,885

Total remuneration is included in "staff costs" in Note 6.

26. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Fair values are categorised into the three-level fair value hierarchy as defined in IFRS 13 *Fair Value Measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

– Level 1: Fair value measured using only Level 1 inputs, i.e., unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

– Level 2: Fair value measured using Level 2 inputs, i.e., observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

– Level 3: Fair value measured using significant unobservable inputs.

26. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

(i) Financial assets measured at fair value

The Group did not hold any financial instruments measured at fair value as at 30 June 2026 and 31 December 2025.

(ii) Financial liabilities measured at fair value

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following method and assumptions were used to estimate the fair values:

At each reporting date, the fair value of financial liabilities measured at fair value was determined by using discounted cash flow method which requires the directors to estimate the future cash flows expected to arise from the financial liabilities and a suitable discount rate in order to calculate the present value. In determining fair value, specific valuation techniques are used with reference to inputs such as long-term growth rate of revenue and other specific input relevant to those particular financial liabilities. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in profit or loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

For the fair value of the financial liabilities measured at fair value, management has estimated the potential effect of using reasonably possible alternatives as inputs to the valuation model.

Notes to interim condensed consolidated financial information

26. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Financial liabilities measured at fair value (CONTINUED)

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 30 June 2026 and 31 December 2025:

	Valuation technique	Significant unobservable input	Weighted average	Sensitivity of fair value to the input
Financial liabilities at fair value through profit or loss	Discounted cash flow	Weighted average cost of capital	9.98% (31 December 2025: 9.98%)	1% (31 December 2025: 1%) increase/decrease in percentage would result in increase/decrease in fair value by RMB141,000 (31 December 2025: RMB141,000)
		Long-term growth rate of revenue	5% (31 December 2025: 5%)	1% (31 December 2025: 1%) increase/decrease in percentage would result in increase/decrease in fair value by RMB128,000 (31 December 2025: RMB128,000)

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the financial liabilities.

The Group has financial liabilities amounting to RMB39,200,000 which were measured at fair value through profit or loss as disclosed in trade and other payables as at 30 June 2026 (31 December 2025: RMB39,200,000). The fair value measurement hierarchy of the Group's financial liabilities was within Level 3. During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and there were no transfers into or out of Level 3 for financial liabilities (31 December 2025: Nil).

(iii) Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 30 June 2026 and 31 December 2025.

27. EVENTS AFTER THE REPORTING PERIOD

As at the date that this interim condensed consolidated financial information was approved, there was no event after the reporting period which should be disclosed.

28. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information was approved and authorised for issue by the board of directors on 20 August 2026.

DEFINITIONS

"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 traded in RMB
"Audit and Risk Management Committee"	the audit and risk management committee of the Board
"Board"	the board of directors of the Company
"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)
"CG Code"	the Corporate Governance Code as contained in Appendix C1 to the Hong Kong Listing Rules
"China" or "PRC"	the People's Republic of China
"the Company" or "our Company" or "we"	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)
"Controlling Shareholders"	has the meaning given to it under the Hong Kong Listing Rules
"CTG"	China Tourism Group Co., Ltd. (中國旅遊集團有限公司), a limited liability company incorporated in the PRC, which is a state-owned enterprise under the control and supervision of the Central SASAC and the Controlling Shareholder of our Company
"Director(s)"	the director(s) of the Company

"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
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong SAR
"Hong Kong SAR"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Latest Practicable Date"	August 20, 2026, being the latest practicable date prior to the publication of this 2026 interim report for the purpose of ascertaining certain information contained herein
"LVMH"	LVMH Moët Hennessy Louis Vuitton SE
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"Miller Family"	Mr. Robert Warren Miller and his family
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Hong Kong Listing Rules
"Nomination Committee"	the nomination committee of the Board
"Prospectus"	the prospectus issued by the Company dated August 15, 2022
"RMB"	Renminbi, the lawful currency of the PRC
"Reporting Period"	the period for the six months ended June 30, 2026
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time

Definitions

"Share(s)"	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
"Shanghai Stock Exchange"	the Shanghai Stock Exchange
"Strategy and Sustainability Committee"	the strategy and sustainability committee of the Board
"US$"	United States dollars, the lawful currency of the United States
"2026 Interim Report"	interim report of the Group for the six months ended at the end of the Reporting Period
"%"	per cent