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, 2025

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, 2025 ("**Interim Results**"). This announcement, containing the full text of the 2025 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 26, 2025

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

CONTENTS

02 Corporate Information

05 Management Discussion and Analysis

16 Other Information

22 Independent Review Report

23 Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

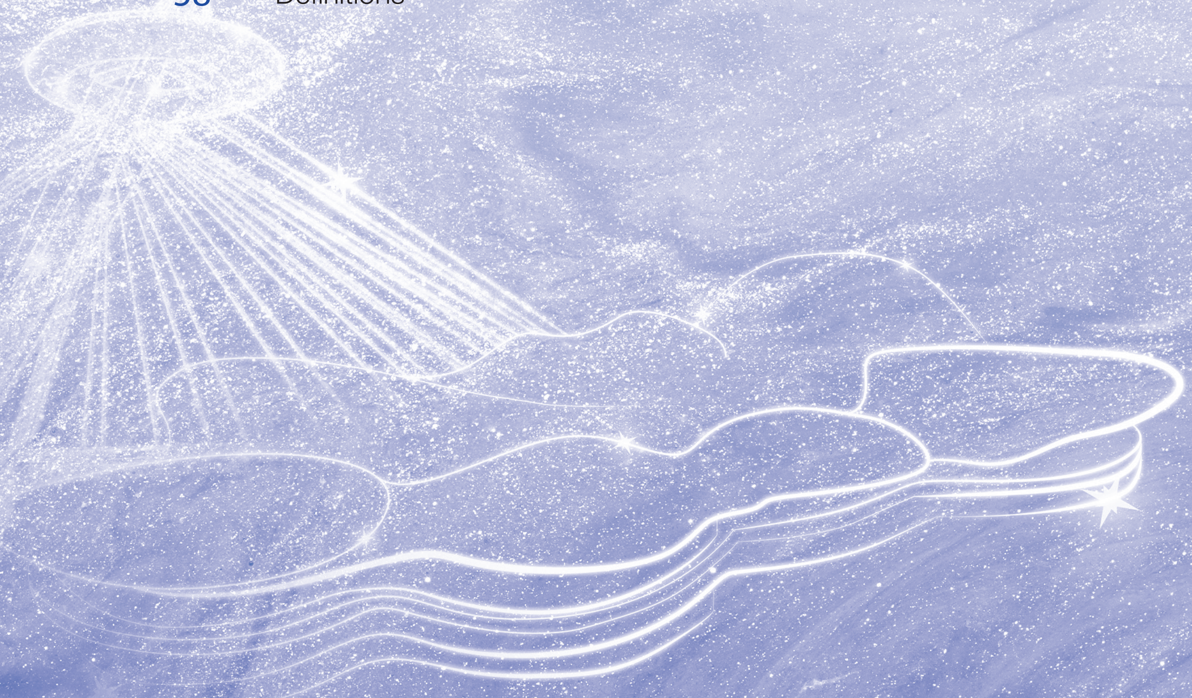
24 Interim Condensed Consolidated Statement of Financial Position

26 Interim Condensed Consolidated Statement of Changes in Equity

27 Interim Condensed Consolidated Statement of Cash Flows

29 Notes to Interim Condensed Consolidated Financial Information

58 Definitions



CORPORATE INFORMATION

BOARD OF DIRECTORS

Non-executive Directors

Mr. FAN Yunjun (范雲軍先生) *(Chairman)*
Ms. LIU Kun (劉昆女士) *(Vice Chairlady)*

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. GE Ming (葛明先生)
Ms. WANG Ying (王瑛女士)
Mr. WANG Qiang (王強先生)

JOINT COMPANY SECRETARIES

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

AUTHORISED REPRESENTATIVES

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

SUPERVISORY COMMITTEE

Mr. LIU Defu (劉德福先生) *(Chairman)*
Ms. LI Hui (李輝女士)
Ms. DOU Xiaoqiong (斜曉瓊女士)

AUDIT AND RISK MANAGEMENT COMMITTEE

Mr. GE Ming (葛明先生) *(Chairman)*
Ms. WANG Ying (王瑛女士)
Mr. WANG Qiang (王強先生)

REMUNERATION AND EVALUATION COMMITTEE

Ms. WANG Ying (王瑛女士) *(Chairlady)*
Mr. GE Ming (葛明先生)
Mr. WANG Qiang (王強先生)

STRATEGY AND SUSTAINABILITY COMMITTEE

Mr. FAN Yunjun (范雲軍先生) *(Chairman)*
Ms. LIU Kun (劉昆女士)
Mr. CHANG Zhujun (常築軍先生)
Mr. WANG Xuan (王軒先生)
Mr. WANG Qiang (王強先生)

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. GE Ming (葛明先生)
Ms. WANG Ying (王瑛女士)

REGISTERED OFFICE AND HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN MAINLAND CHINA

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PRINCIPAL BANKS

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A SHARE REGISTRAR AND TRANSFER OFFICE

China Securities Depository and Clearing Corporation Limited
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Pudong New District
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H SHARE REGISTRAR AND TRANSFER OFFICE

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Wanchai
Hong Kong SAR

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 liability 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 six months ended June 30, 2025 by principal activities is set out in this section.

DISCUSSION AND ANALYSIS ON BUSINESS OPERATION

In the first half of 2025, by adhering to strategic guidance and closely focusing on shifting consumer demands, the Company consolidated its foundations, explored new opportunities, enhanced quality and efficiency, and effectively carried out various tasks. During the Reporting Period, the Company recorded revenue of RMB28.151 billion and operating revenue from principal activities of RMB27.531 billion, including RMB19.703 billion from offline sources and RMB7.828 billion from online sources.

(I) Deepening presence in Hainan, and building a new landscape of culture-tourism integrated consumption. By continuously expanding the boundaries of "duty-free+", the Company advanced toward multi-dimensional integrated development across "culture, commerce, sports, tourism, and wellness (文商體旅康)" sectors. The Company consistently developed diverse entertainment-sporting integration events and themed marketing IP campaigns, and introduced trending IPs such as celebrity concerts, the debut exhibition of POP MART's Dimoo, and Disney-themed IPs, creating rich and diverse brand portfolios and consumption scenarios. Together with providing meticulous innovative services and consumer experiences, the Company promoted the transformation and upgrading of Sanya International Duty-Free Shopping Complex and Haikou International Duty-Free Shopping Complex from a "shopping complex" into an "experience complex", of which, Sanya International Duty-Free Shopping Complex has been officially designated as a National AAAA Tourist Attraction, becoming the first national-level tourist attraction with duty-free commerce as its core in China. During the Reporting Period, we introduced over 60 new brands in Hainan Province, and actively gave play to the "first launch, first store" economy to fully meet consumers' diversified demands. Sales in Hainan offshore duty-free market remained stable, and the leading position of the Company in Hainan offshore duty-free market was further consolidated, achieving a year-on-year increase of nearly 1 percentage point in its market share.

Management Discussion and Analysis

(II) Staying focused on its goals, and coordinating development of port and downtown store duty-free operations. In terms of port channels, the Company successfully won the bids for the operating rights of the departure duty-free store at Terminal 3 of Guangzhou Baiyun International Airport, as well as multiple port duty-free stores at, among others, Mohan, Mengkang, Houqiao, Daluo and Heihe ports, which further strengthened its channel advantages in major international airports and ports across China. In terms of downtown store channels, the downtown stores in Qingdao, Xiamen, and Harbin and others cities reopened with a fresh look, and through developing departure tax refund services, the Company effectively attracted inbound consumption of foreign consumers. The preparation work for the opening of 6 new downtown duty-free stores had progressed steadily. With the "duty-free + China Chic" as the core positioning, our downtown stores strove to build an innovative retail scenario featured with "duty-free + duty-paid", "offline + online" and "imported + domestic", and proactively explored "whisky lounges (威士忌小酒館)" and other exclusive experience projects, with an aim to create differentiated shopping experiences.

(III) Focusing on key areas, and continuously expanding overseas business footprint. The Company deeply engaged in the markets in Hong Kong SAR and Macau SAR, successfully securing the operation rights to the MCM pop-up store at Hong Kong International Airport, the downtown duty-free store at M8 mall in Macau SAR, and the fragrances and cosmetics sub-concession of Macau International Airport, all of which were scheduled to commence operation successively in the second half of the year. The Company implemented its overseas expansion strategy and entered the Vietnamese market for the first time, successful opening duty-free stores at Noi Bai International Airport in Hanoi and Phu Quoc International Airport. The Company steadily advanced the global expansion of China Chic brands through entering into strategic cooperation agreements with a number of representative China Chic brands including Tong Ren Tang (同仁堂), Bloomage Biotech (華熙生物) and Giant Biogene (巨子生物), to introduce premium China Chic products to overseas markets such as Vietnam, Cambodia and Japan, fostering deep integration between Chinese brands and global markets.

(IV) Making breakthroughs and exploring new models of travel retail business. The Company actively explored innovative airport commercial models by focusing on branding and differentiation. It collaborated with Gansu Civil Aviation Airport Group Co., Ltd. (甘肅省民航機場集團有限公司) to jointly develop the duty-paid commercial project at Terminal 3 of Lanzhou Zhongchuan International Airport, introducing 31 new brands, including 19 first stores in Gansu Province. Such duty-paid commercial project commenced operation in March 2025, and effectively synergized with the business of the departure duty-free store opened in July 2025 within the same terminal, jointly creating a diversified commercial complex space. Furthermore, the Long Beach Commercial Complex Project in Shanghai, a collaboration between the Company and SIPG Ruitai Development Co., Ltd. (上港集團瑞泰發展有限責任公司), also progressed in an orderly manner.

(V) Obtaining insights into trends, and driving boundaries expansion and product innovation. The Company continuously broadened its product offerings by closely following domestic consumption trends, and significantly increasing the introduction of China Chic brands covering, among others, fragrances & cosmetics, 3C products, health, designer toys, and outdoor sports. In the first half of the year, the Company successfully introduced nearly 200 new brands, effectively enhancing supply and demand alignment of products and achieving healthy sales growth. The Company also vigorously developed "first launch" economy, and launched more than 100 exclusive, first-launch and co-branded customized cdf products by collaborating with over 80 brands, consistently stimulating new consumption momentum. By proactively tapping into the Silver Economy, the Company focused on developing senior-friendly products and service systems, and launched "cdf Health (中免健康)", its proprietary brand that specializes in health nourishment and wellness enhancement. The brand had nearly 40 trending products, which precisely met seniors' demand for high-quality health products.

(VI) Taking multiple measures and comprehensively enhancing operational efficiency. The Company strengthened marketing and promotion to comprehensively enhance its brand value by launching a variety of marketing activities such as the Year of the Snake Zodiac IP, the Watch Carnival, and the CDFG Global Shopping Festival (中免集團全球悅享季), and fully leveraged government consumption vouchers and national subsidy policies to stimulate consumer shopping enthusiasm. It held the first CDFG Global Brands Meeting (中免集團全球品牌商大會), aiming to establish an efficient and synergistic platform for exchange and collaboration, and drive high-quality development of the travel retail industry together with global partners. It deepened tiered membership operation by refining its CRM system, and constantly strengthened offline-to-online traffic conversion, and as a result of these efforts, both user conversion rates and member repurchase rates recorded year-on-year increase, with the number of cdf members exceeding 45 million. Through precise consumer insights, the Company continuously optimized its product matrix, pricing mechanisms, and discount strategies to enhance its profitability. By continuously improving its supply chain system, and upgrading the core system functions including digital procurement and supply chain fulfillment, it comprehensively enhanced the operational efficiency and performance of supply chain. Leveraging the accelerated digital transformation and advancement of the construction of Nebula Project (星雲項目), the Company provided support for targeted marketing through data platform upgrading and core data governance.

INDUSTRIES IN WHICH THE COMPANY OPERATES

1. Travel Industry

According to the data on domestic travel by residents in the first half of 2025 released by the Ministry of Culture and Tourism, in the first half of 2025, the number of domestic trips made by residents was 3.285 billion, representing a year-on-year increase of 20.6%; domestic resident tourism spending amounted to RMB3.15 trillion, representing a year-on-year increase of 15.2%.

In the first half of 2025, China's inbound and outbound travel market achieved rapid growth. According to the statistics from the National Immigration Administration, in the first half of 2025, a total of 333 million inbound and outbound travelers were inspected, representing a year-on-year increase of 15.8% and recovering to 97% of the level for the same period in 2019. Such figure encompassed 159 million residents from Mainland China and 136 million residents from Hong Kong SAR, Macao SAR and Taiwan region, representing year-on-year increases of 15.9% and 12.2% and recovering to 86% and 118% of the levels for the same period in 2019, respectively, and 38.053 million foreign nationals, representing a year-on-year increase of 30.2% and recovering to 80% of the level for the same period in 2019, including 13.64 million foreign nationals entering visa-free, representing a year-on-year increase of 53.9%.

According to the World Tourism Barometer: May 2025 released by the World Tourism Organization, the total number of international tourists in the world exceeded 300 million in the first three months of 2025, representing an increase of 5% or approximately 14.00 million from the same period in 2024. The number of international tourists was 3% higher than that of the same period in 2019. The Asia-Pacific region achieved strong growth of 12%, recovering to 92% of the pre-pandemic level. The Northeast Asia sub-region led the world, surging by 23% in the first quarter of 2025 to 91% of the level in the same period in 2019. The World Tourism Organization is cautiously optimistic about the tourist season from May to August 2025. Despite the uncertainties in the global situation, the tourism demand demonstrated resilience. The World Tourism Organization's forecast for a 3%-5% increase in international tourists for 2025 remains unchanged.

Management Discussion and Analysis

2. Hainan Tourism and Offshore Duty-Free Industry

According to the statistics from the Hainan Provincial Bureau of Statistics, the passenger throughput of Hainan's ports and airports in the first half of 2025 was 35.1952 million, representing a year-on-year decrease of 1.4%, of which 18.3103 million were departing passengers, representing a year-on-year decrease of 1.6%. According to the statistics from Sanya and Haikou airports in Hainan, the passenger throughput of Sanya Phoenix International Airport was 11.8138 million in the first half of 2025, representing a year-on-year increase of 8.49%; the passenger throughput of Haikou Meilan International Airport was 13.9072 million, representing a year-on-year decrease of 4.05%.

In the first half of 2025, the offshore duty-free market in Hainan moved forward under pressure. Under the active guidance of the Hainan Provincial Government, various business entities took effective measures such as deep integration of "duty-free + cultural tourism", improving service quality, optimizing product structure, strengthening digital marketing, and enhancing risk management, to promote a stable and improving offshore duty-free market. According to the statistics from Haikou Customs, from January to June 2025, the offshore duty-free sales amounted to RMB16.76 billion, representing a year-on-year decrease of 9.2%, with the decline significantly narrowing. The number of duty-free shoppers was 2.482 million, representing a year-on-year decrease of 26.2%. The average spending per duty-free shopper was approximately RMB6,754.0, representing a year-on-year increase of 23.0%.

On April 12, 2025, the General Office of the Hainan Provincial People's Government issued the Hainan Province Three-Year Action Plan for Boosting and Expanding Consumption《海南省提振和擴大消費三年行動方案》. The plan proposed 35 measures in 9 areas, including actions to enhance the capability to attract spending abroad back to the domestic market, improve the quality and expand the scale of tourism consumption, offer traditional consumption benefits for the people, and cultivate new consumption scenarios. These measures are aimed at vigorously boosting and expanding consumption, promoting the optimization of offshore duty-free policies, and expanding the categories and quantity of "buy and pick up" goods. At the same time, the governments of Haikou and Sanya issued offshore duty-free consumption vouchers in a timely manner, and various offshore duty-free stores simultaneously launched differentiated promotional activities, which together with government consumption vouchers and the "duty-free + exclusive + new purchase subsidy" policy for electronics categories continuously enhanced the development momentum of the offshore duty-free market.

3. Consumption of Consumer Discretionary Goods

According to the data from the National Bureau of Statistics, in the first half of 2025, the total retail sales of consumer goods were RMB24.5458 trillion, representing a year-on-year increase of 5.0%, with the growth rate up by 0.4 percentage point from the first quarter of the year. In terms of quarterly breakdown, in the second quarter of the year, the total retail sales of consumer goods grew by 5.4%, with the growth rate up by 0.8 percentage point from the first quarter of the year. The quarterly growth rate has been on a continuous rebound since the third quarter of 2024. From the perspective of consumer goods categories, in the first half of 2025, the "consumer goods trade-in" policy continued to deliver results. Among entities above the designated size, retail sales of home appliances and audio-visual equipment, cultural and office supplies, communication equipment and furniture increased by 30.7%, 25.4%, 24.1% and 22.9%, respectively. Growth in select upgraded consumption categories accelerated, with retail sales of sports and recreation products and gold, silver and jewellery by entities above the designated size increasing by 22.2% and 11.3% year-on-year, respectively. Retail sales of cosmetics by entities above the designated size grew by 2.9% year-on-year.

Currently, some luxury goods groups are still facing downward pressure on their performance, and some brands have begun to actively lower prices to reverse the decline; major international cosmetics groups have shown positive recovery in the offline market in China, as the online traffic bonus for cosmetics has peaked and cosmetics brands are starting to return to offline channels; major domestic high-end commercial properties perform weakly in the high-end luxury sector. In the first half of 2025, while strengthening the upgrading and adjustment of high-end luxury segment, domestic high-end commercial properties actively adapted to the market environment and consumer demand, and actively explored new consumption and youth-oriented scenarios.

The Luxury Goods Worldwide Market Study (2025 Mid-Year) jointly released by Bain & Company and Altagamma, the Italian luxury goods industry association, shows that factors such as current economic turmoil, geopolitical conflicts, trade frictions, and currency and financial market volatility continue to impact consumer confidence, leading to increasing pressure on the global luxury market. Bain & Company predicts that the most likely scenario for the global personal luxury goods market is a full-year sales contraction of 2%-5%. Although Chinese consumers remain one of the most strategically valuable groups for global luxury brands, local consumer confidence is still weak, especially among the younger generation, who are becoming more sensitive to price increases.

BUSINESS OF THE COMPANY

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.

During the Reporting Period, the Company's business model was as follows: offline, the Company focused on leased or self-owned properties at airports, ports, and in downtown locations. Leveraging its licenses and global supply chain advantages, it operated travel retail business with a focus on duty-free sales 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 its duty-free license, centered on its 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 9.96% from RMB31.265 billion for the six months ended June 30, 2024 to RMB28.151 billion for the six months ended June 30, 2025, mainly due to the impact of slowing consumer demand and industry cyclicality during the Reporting Period.

Other income

The Group's other income (comprising interest income, exchange gains or losses and government grants) decreased by 6.85% from RMB745 million for the six months ended June 30, 2024 to RMB694 million for the six months ended June 30, 2025, mainly due to the decrease in interest income from large-denomination time deposits during the Reporting Period.

Cost of sales

The Group's cost of sales decreased by 8.85% from RMB21.022 billion for the six months ended June 30, 2024 to RMB19.161 billion for the six months ended June 30, 2025, mainly due to the year-on-year decrease in sales revenue during the Reporting Period.

Gross profit

The Group's gross profit decreased by 12.23% from RMB10.243 billion for the six months ended June 30, 2024 to RMB8.990 billion for the six months ended June 30, 2025, mainly due to the year-on-year decrease in sales revenue during the Reporting Period.

Selling and distribution costs

The Group's selling and distribution costs decreased by 8.11% from RMB5.217 billion for the six months ended June 30, 2024 to RMB4.794 billion for the six months ended June 30, 2025, mainly due to the decrease in sales service fees, lease expenses, sales staff compensation, and licensing fees during the Reporting Period.

Administrative expenses

The Group's administrative expenses decreased by 7.03% from RMB1.124 billion for the six months ended June 30, 2024 to RMB1.045 billion for the six months ended June 30, 2025, mainly due to the decrease in employee remuneration and operating expenses during the Reporting Period.

Research and development expenses

The Group's research and development expenses increased by 4,145.81% from RMB0.906 million for the six months ended June 30, 2024 to RMB38.467 million for the six months ended June 30, 2025, mainly due to the combined effect of a low base in the same period last year and an increase in research and development expenditure during the Reporting Period.

Staff costs

The Group's staff costs decreased by 11.21% from RMB1.740 billion for the six months ended June 30, 2024 to RMB1.545 billion for the six months ended June 30, 2025, mainly due to the decrease in the average staff salary during the Reporting Period.

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 decreased by 9.92% from RMB97.904 million for the six months ended June 30, 2024 to RMB88.192 million for the six months ended June 30, 2025, mainly due to the decrease in lease liabilities during the Reporting Period as compared to the previous period.

Reversal of impairment/(impairment loss) of trade and other receivables

The Group's impairment of trade and other receivables shifted from reversal of impairment of RMB2.246 million for the six months ended June 30, 2024 to impairment loss of RMB1.447 million for the six months ended June 30, 2025, mainly due to the increase in the provision for bad debts on other receivables during the Reporting Period.

Profit from operations

The Group's profit from operations decreased by 18.14% from RMB4.648 billion for the six months ended June 30, 2024 to RMB3.805 billion for the six months ended June 30, 2025, mainly due to the year-on-year decrease in sales revenue during the Reporting Period.

Profit for the Reporting Period

The Group's profit decreased by 20.10% from RMB3.667 billion for the six months ended June 30, 2024 to RMB2.930 billion for the six months ended June 30, 2025, mainly due to the year-on-year decrease in sales revenue during the Reporting Period.

Total equity attributable to equity shareholders

The Group's total equity attributable to equity shareholders increased by 0.23% from RMB54.966 billion as of December 31, 2024 to RMB55.090 billion as of June 30, 2025, mainly due to the Company's operating profit and dividend distribution during the Reporting Period.

Trade and other receivables

The Group's trade and other receivables increased by 36.90% from RMB4.255 billion as of December 31, 2024 to RMB5.825 billion as of June 30, 2025, mainly due to the increase in time deposits during the Reporting Period.

Trade and other payables

The Group's trade and other payables decreased by 15.42% from RMB8.415 billion as of December 31, 2024 to RMB7.117 billion for the six months ended June 30, 2025, mainly due to the decrease in payables for procurement of goods and staff remuneration during the Reporting Period.

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 shares under H Share initial public offering.

As of June 30, 2025, the Group had cash and cash equivalents of RMB33.322 billion (as of December 31, 2024: RMB34.773 billion), primarily representing deposits in HK$ and RMB.

As of June 30, 2025, the Group's borrowings amounted to RMB3.570 billion (as of December 31, 2024: RMB3.111 billion), which were mainly borrowings in RMB, among which RMB200 million adopted 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 expenditure

The Group's capital expenditures relate primarily to construction. As of June 30, 2025, the total amount of capital expenditure contracted by the Group but not yet provided was RMB396 million (as of December 31, 2024: RMB470 million).

Gearing ratio

Unit: 100 million Currency: RMB

	As of June 30, 2025	As of December 31, 2024
Total debts (including lease liabilities and interest-bearing borrowings)	**54.27**	53.12
Total equity	**609.24**	607.96
Gearing ratio [1]	**8.91%**	8.74%

Note:

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

Contingent liabilities

As of June 30, 2025, the Group did not have any significant contingent liabilities.

Investment

As of June 30, 2025, the Group's balance of interests in associates and joint ventures amounted to RMB3,637 million, representing a decrease of RMB33 million or 0.90% as compared to December 31, 2024. The decrease in the Group's interests in associates and joint ventures was mainly due to the operating losses of the associates and joint ventures.

As of June 30, 2025, 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

As of June 30, 2025, there were no material acquisitions and disposals. In the future, the Group shall focus on merger and 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 June 30, 2025, the book value of fixed assets, intangible assets, investment properties, other non-current assets and inventories pledged as security amounted to RMB1.599 billion, RMB0.406 billion, RMB1.197 billion, RMB0.531 billion and RMB1.196 billion, respectively.

INTERIM DIVIDEND

The Company will not distribute interim dividend for the six months ended June 30, 2025 (for the six months ended June 30, 2024: Nil).

DISCUSSION AND ANALYSIS OF THE COMPANY ON THE FUTURE DEVELOPMENT

(I) Outlook

Looking ahead, the Company will closely follow new trends in the development of the industry, deeply integrate national strategies with the Company's actual situation, strengthen strategic guidance, and actively promote the Company's strategic transformation. In the second half of 2025, the Company will, in accordance with its established work plan, make a full push for the offshore duty-free sales in Hainan, actively seize development opportunities for downtown and port stores, continue to expand overseas business, and further consolidate the Company's main duty-free business. It will also continuously expand travel retail and develop quality retail, focusing on enhancing the Company's core capabilities and making every effort to complete all tasks for the year.

(II) Potential Risks

1. Policy risk. With the relaxation of the duty-free operation permits, the operating entities for the port arrival and departure duty-free stores shall be determined by way of bidding, the operating entities for the offshore duty-free stores in Hainan shall be determined by way of competitive negotiation, and the operating entities for the downtown duty-free stores shall be determined through competitive bidding mechanism. The duty-free industry in China 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.

Management Discussion and Analysis

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 proposal, control the scale and the pace of investment from an overall and macro perspective, and maintain an overall objective understanding and vigilance of investment risks. 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, promotion 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 us achieve our goals for managing exchange rates and interest rates. We will also closely monitor the trends in the exchange rates and interest rates of the currencies we hold, and by comprehensively considering impact of interest rates on the allocation of financial resources, we will strive to improve the currency matching of our 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 its existing strengths to create an integrated online-offline competitive advantage and will continue to promote centralized procurement to enhance its bargaining power. 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, 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 tender 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, sanction 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

During the six months ended June 30, 2025, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares). As of June 30, 2025, the Company did not hold any treasury shares.

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

As at June 30, 2025, none of our Directors or Supervisors 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 were 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 for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules, 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 June 30, 2025, 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 respective type of Shares which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Shareholder	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%	50.30%
China State-Owned Enterprise Mixed Ownership Reform Fund Co., Ltd.	Beneficial owner	7,452,300 H Shares (L)	6.40%	0.36%
China Chengtong Holdings Group Ltd.[2]	Interest in controlled corporation	7,452,300 H Shares (L)	6.40%	0.36%
Rui Life Insurance Co., Ltd.	Beneficial owner	5,820,000 H Shares (L)	5.00%	0.28%

* (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 Enterprises 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 Enterprises Mixed Ownership Reform Fund Co., Ltd.

Save as disclosed above, to the best knowledge of the Company, as at June 30, 2025, 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 types of capital in issue of the Company.

USE OF NET PROCEEDS FROM THE ISSUE 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$9,295.65 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 of December 31, 2024	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 the construction of duty-free stores at traditional ports for entry and exit, the construction of duty-free stores in key airports, the investment in downtown duty-free stores, the development of duty-paid travel retail projects at transportation hubs, etc.	9,805.78	5,011.15	421.82	4,372.81	To be utilized before the end of 2027
To expand overseas channels, including the development of overseas downtown duty-free stores, the development of duty-free stores in key overseas airports, the construction of duty-free stores on cruise ships, the investment in merger and acquisition of overseas travel retail operators, etc.	3,493.65	798.78	–	2,694.87	To be utilized before the end of 2027
To improve supply chain efficiency, including the construction of distribution centers, the upgrading of supply chain and the 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 further improving our customer loyalty program	582.28	224.67	69.78	287.83	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	8,224.76	491.60	9,295.65	

Notes:

(1) The total net proceeds of HK$18,012.01 million from the issue and listing of H Shares by the Company 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.

CORPORATE GOVERNANCE

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of our 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.

The Board is of the view that 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 the Part 2 of the CG Code. The Board will continue to review and monitor its code of corporate governance practices of the Company with an aim to maintaining a high standard of corporate governance.

SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code as set out in Appendix C3 to the Hong Kong Listing Rules as the code of conduct of our Directors and Supervisors (who, because of their office or employment, are likely to possess inside information in relation to the Company or the Company's securities) when dealing in the securities of the Company.

The Company has also formulated the Administrative System for the Shares Held by Directors, Supervisors and Senior Management of the Company and Their Movements to ensure compliance with the Model Code. In particular, the Company will notify all Directors and Supervisors the blackout period before the commencement of such blackout period, reminding the Directors and Supervisors 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' and the Supervisors' dealings in securities of the Company are adequate and effective.

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

Other Information

REVIEW OF INTERIM REPORT

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

The Audit and Risk Management Committee has reviewed the unaudited interim report of the Group for the six months ended June 30, 2025, and is of the view that the 2025 Interim Report is in compliance with the applicable accounting standards, relevant laws and regulations, and has made adequate disclosure.

INFORMATION CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Since May 23, 2025, Ms. WANG Ying, an independent non-executive Director, has served as an independent director of Jointown Pharmaceutical Group Co., Ltd. (stock code: 600998.SH).

On February 26, 2025, as considered and approved by the Board, Mr. YANG Hongyi was appointed as the general accountant of the Company. For details, please refer to the announcement of the Company dated February 26, 2025.

On March 28, 2025, as considered and approved by the Board, Ms. SUN Fang was appointed as the vice president of the Company. For details, please refer to the announcement of the Company dated March 28, 2025.

As at May 29, 2025, Mr. CHANG Zhujun resigned from the positions of Board secretary and joint company secretary of the Company due to work adjustments. On the same date, as considered and approved by the Board, Mr. YANG Hongyi was appointed as the Board secretary and the joint company secretary of the Company. For details, please refer to the announcement of the Company dated May 29, 2025.

Save as disclosed above, during the Reporting Period, there was no change in the information of the Directors and Supervisors 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 June 30, 2025, the Group had 14,532 full-time employees, among which, 59% were female and 41% were male. The Company enters into written employment agreements with our direct employees to specify each employee's position, responsibilities, remuneration, benefits and grounds of termination pursuant to relevant labor laws and regulations. We also have 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 appraisal results. We also provide our employees with benefits in accordance with applicable regulations and our 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. In the first half of 2025, a total of over 390 key training programs were carried out, with 60,000 participants. A total of 194,000 training hours were completed, averaging 13.35 training hours per person.

For middle and senior management, we organized specialized training programs focused on corporate strategy, innovation and development, leadership and other key topics to enhance their managerial perspectives and broaden their international vision and strategic thinking.

For frontline business operations and management personnel, we continuously organized theme-based training sessions on internal control management, compliant operations, and integrity education, which was supplemented by on-site visits to benchmark enterprises, centralized training and exchange sessions, and research project presentations, to further strengthen internal control awareness, innovate business management models, and accelerate the growth of retail operations talents.

The Group continuously strengthened the cultivation of various professional talents. Through various means including offline centralized training, online live streaming, and specialized courses, the Group provided training for frontline professional positions to enhance the overall capabilities of its professional staff. In terms of professional title evaluation, the Group actively encouraged all employees to apply for various titles. 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, we 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. We've established an "onboarding training + examination and evaluation (入職培訓+考試評估)" system. Within three days of starting, all 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 accelerated the growth of young talents and improved the core competitiveness of the organization.

The Group actively carried out training on scientific and technological innovation and AI intelligent office, continuously nurturing a digital mindset among all employees. Through a "theoretical teaching + practical exercise (理論教學+實操演練)" model, we comprehensively enhanced employees' innovation capabilities and office efficiency. Furthermore, through "cdf School (中免學堂)", we continuously pushed special series of courses on AI intelligent office and efficiency improvement, constantly consolidating training effectiveness, promoting the deep integration of AI technologies with business, and empowering the high-quality development of the Company.

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, understand the spirit and broaden their horizons.

The Group made full use of the online training platform "cdf School", 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, to increase employees' learning enthusiasm and engagement, and to deliver learning information to them in a timely manner, we also leveraged the WeChat official account of "cdf School" 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
(Incorporated in the People's Republic of China with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 23 to 57, 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 2025 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

26 August 2025

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

For the six months ended 30 June 2025

	Notes	Six months ended 30 June 2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Revenue	4	28,150,750	31,264,998
Cost of sales		(19,160,933)	(21,022,320)
Gross profit		8,989,817	10,242,678
Other income and other net gains	5	693,973	744,894
Selling and distribution costs		(4,794,476)	(5,217,400)
Administrative expenses		(1,044,878)	(1,123,537)
Research and development expenses		(38,467)	(906)
(Impairment loss)/reversal of impairment of trade and other receivables		(1,447)	2,246
Profit from operations		3,804,522	4,647,975
Finance costs	6	(88,192)	(97,904)
Share of profits and losses of:			
Joint ventures		(7,971)	(1,996)
Associates		(12,530)	24,849
Profit before taxation	6	3,695,829	4,572,924
Income tax	7	(765,446)	(906,373)
Profit for the period		2,930,383	3,666,551
Other comprehensive (loss)/income for the period (after tax)			
Items that may be reclassified subsequently to profit or loss:			
– Exchange differences on translation of foreign operations		(308,579)	133,993
Total comprehensive income for the period		2,621,804	3,800,544
Profit for the period attributable to:			
Equity shareholders of the Company		2,621,899	3,305,551
Non-controlling interests		308,484	361,000
Profit for the period		2,930,383	3,666,551
Total comprehensive income attributable to:			
Equity shareholders of the Company		2,310,698	3,439,527
Non-controlling interests		311,106	361,017
Total comprehensive income for the period		2,621,804	3,800,544
Earnings per share			
Basic and diluted (RMB)	8	1.2673	1.5978

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	Notes	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Non-current assets			
Investment properties	9	1,395,873	1,428,845
Right-of-use assets	10	3,144,260	3,645,321
Other property, plant and equipment	11	8,045,071	8,146,458
Intangible assets		178,067	172,984
Goodwill		822,660	822,660
Interests in associates		2,417,528	2,430,931
Interests in joint ventures		1,219,341	1,238,780
Deposits and other receivables	13	509,166	518,646
Other non-current assets	14	530,895	532,082
Deferred tax assets	18	1,124,112	1,211,198
Total non-current assets		19,386,973	20,147,905
Current assets			
Inventories	12	16,887,513	17,348,383
Trade and other receivables	13	5,172,953	3,736,681
Income tax recoverable		87,062	58,059
Cash and time deposits	15	33,346,624	34,817,316
Total current assets		55,494,152	55,960,439
Current liabilities			
Trade and other payables	16	7,046,048	8,414,979
Contract liabilities	17	949,848	1,115,178
Interest-bearing borrowings	19	673,955	544,088
Lease liabilities		661,783	634,318
Income tax payable		416,502	260,469
Total current liabilities		9,748,136	10,969,032
Net current assets		45,746,016	44,991,407
Total assets less current liabilities		65,132,989	65,139,312

	Notes	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Non-current liabilities			
Interest-bearing borrowings	19	2,896,465	2,567,047
Lease liabilities		1,123,471	1,566,193
Defined benefit obligations		1,090	1,090
Deferred tax liabilities	18	34,733	37,391
Deferred income		153,330	171,281
Total non-current liabilities		4,209,089	4,343,002
Net assets		60,923,900	60,796,310
Capital and reserves			
Share capital	20	2,068,859	2,068,859
Reserves		53,020,921	52,896,900
Total equity attributable to equity shareholders of the Company		55,089,780	54,965,759
Non-controlling interests		5,834,120	5,830,551
Total equity		60,923,900	60,796,310

Approved and authorised for issue by the board of directors on 26 August 2025.

FAN Yunjun
Director

CHANG Zhujun
Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	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)/income	–	–	–	(311,201)	–	–	(311,201)	2,622	(308,579)
Total comprehensive (loss)/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 an subsidiary	–	–	–	–	–	–	–	11,018	11,018
Dividends declared in respect of the previous year (Note 20)	–	–	–	–	–	(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

	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 2024 (audited)	2,068,859	17,447,204	1,050,986	760,983	(210)	32,318,648	53,646,470	5,328,073	58,974,543
Profit for the period	–	–	–	–	–	3,305,551	3,305,551	361,000	3,666,551
Other comprehensive income	–	–	–	133,976	–	–	133,976	17	133,993
Total comprehensive income	–	–	–	133,976	–	3,305,551	3,439,527	361,017	3,800,544
Capital contributions from non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	3,668	3,668
Disposal of an associate	–	(8,088)	–	–	–	–	(8,088)	–	(8,088)
Dividends declared in respect of the previous year (Note 20)	–	–	–	–	–	(3,413,617)	(3,413,617)	–	(3,413,617)
Dividends paid to non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	(18,232)	(18,232)
Others	–	244	–	–	–	–	244	–	244
Balance at 30 June 2024 (unaudited)	2,068,859	17,439,360	1,050,986	894,959	(210)	32,210,582	53,664,536	5,674,526	59,339,062

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Notes	Six months ended 30 June 2025 (Unaudited) RMB'000	 2024 (Unaudited) RMB'000
Operating activities			
Profit before taxation		3,695,829	4,572,924
Adjustments for:			
Depreciation of investment properties	9	22,996	24,183
Depreciation of right-of-use assets		248,968	247,029
Depreciation of other property, plant and equipment	11	381,625	338,971
Amortisation of intangible assets		18,470	15,967
Finance costs	6	88,192	97,904
Share of losses/(profits) of associates and joint ventures, net		20,501	(22,853)
Gains on disposal of items of other property, plant and equipment and other non-current assets, net		(15,061)	(14,762)
Gain on disposal of an associate		–	(3,106)
Interest income		(25,207)	(49,499)
Exchange gains, net	5	(193,881)	(80,889)
Changes in working capital:			
Decrease in inventories		460,870	2,042,395
(Increase)/decrease in trade and other receivables		(36,461)	697,543
Decrease in restricted bank deposits		–	30,385
Decrease in deposits and other receivables		9,480	14,798
Decrease in other non-current assets		1,187	–
Decrease in trade and other payables		(1,333,114)	(2,616,446)
Decrease in deferred income		(17,951)	(354)
Decrease in contract liabilities		(165,330)	(240,410)
Cash generated from operations		3,161,113	5,053,780
Tax paid		(553,993)	(744,630)
Net cash flows from operating activities		2,607,120	4,309,150
Investing activities			
Proceeds from disposal of other property, plant and equipment and other non-current assets		612	277
Purchases of other property, plant and equipment and other non-current assets		(490,832)	(717,717)
Refund of investment deposit		–	368,379
Payments of equity investment funds		(16,931)	(368,583)
Acquisition of a subsidiary		10,935	–
Dividends received from associates		5,442	1,500
Proceeds from disposal of an associate		–	55,860
Purchases of time deposits		(1,400,000)	(1,010,000)
Redemption of time deposits		3,963	1,570,136
Net cash flows used in investing activities		(1,886,811)	(100,148)

Interim condensed consolidated statement of cash flows

	Notes	Six months ended 30 June 2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Financing activities			
Capital (reduction)/contributions from non-controlling shareholders of subsidiaries		(13,817)	3,668
New bank loans and other loans		668,539	–
Repayment of bank loans		(205,389)	(73,112)
Interest paid		(53,918)	(55,056)
Dividends paid to shareholders of the Company		(2,039,959)	(3,221,585)
Dividends paid to non-controlling shareholders of subsidiaries		(96,771)	(23,131)
Capital element of lease rentals paid		(160,583)	(225,624)
Interest element of lease rentals paid		(41,560)	(55,510)
Others		(10,838)	728
Net cash flows used in financing activities		(1,954,296)	(3,649,622)
Net (decrease)/increase in cash and cash equivalents		(1,233,987)	559,380
Cash and cash equivalents at beginning of period		34,773,157	31,752,192
Effect of foreign exchange rate changes, net		(217,155)	(166,721)
Cash and cash equivalents at end of period	15	33,322,015	32,144,851
Analysis of balances of cash and cash equivalents			
Cash and bank balances		28,204,780	19,460,198
Non-pledged time deposits		5,117,235	12,684,653
Cash and cash equivalents as stated in the interim condensed consolidated statement of financial position		33,322,015	32,144,851
Cash and cash equivalents as stated in the interim condensed consolidated statement of cash flows	15	33,322,015	32,144,851

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

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 2025 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 2024.

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 2024, except for the adoption of the following amended IFRS Accounting Standards for the first time for the current period's financial information.

Amendments to IAS 21	*Lack of Exchangeability*

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

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, 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 Mainland China, Hong Kong SAR, Macau SAR, Cambodia, through its travel retail business. This segment engages in 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 the 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 2025 and 2024:

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 of 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

Notes to interim condensed consolidated financial information

3. SEGMENT INFORMATION (CONTINUED)

Six months ended 30 June 2024	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	31,136,251	128,747	31,264,998	–	31,264,998
Inter-segment revenue	–	682,284	682,284	(682,284)	–
Reportable segment revenue	31,136,251	811,031	31,947,282	(682,284)	31,264,998
Share of profits and losses of associates and joint ventures, net	25,342	(2,489)	22,853	–	22,853
Write-down of inventories	(241,539)	–	(241,539)	–	(241,539)
Reversal of impairment of trade and other receivables	2,246	–	2,246	–	2,246
Depreciation and amortisation	(944,990)	(157,461)	(1,102,451)	476,301	(626,150)
Reportable segment profit before taxation	4,006,553	322,783	4,329,336	243,588	4,572,924
Income tax	(824,115)	(69,306)	(893,421)	(12,952)	(906,373)
Reportable segment net profit	3,182,438	253,477	3,435,915	230,636	3,666,551

	Retail RMB'000	Property RMB'000	Corporate and elimination RMB'000	Total RMB'000
Segment assets				
30 June 2025 (unaudited)	**69,701,905**	**14,675,828**	**(9,496,608)**	**74,881,125**
31 December 2024 (audited)	65,429,594	14,904,827	(4,226,077)	76,108,344
Segment liabilities				
30 June 2025 (unaudited)	**25,717,576**	**6,488,564**	**(18,248,915)**	**13,957,225**
31 December 2024 (audited)	23,062,801	7,064,702	(14,815,469)	15,312,034

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 location 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	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Mainland China	25,879,388	28,653,227
Hong Kong SAR, Macau SAR and overseas	2,271,362	2,611,771
Total	28,150,750	31,264,998

Specified non-current assets

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Mainland China	16,976,203	17,482,315
Hong Kong SAR, Macau SAR and overseas	777,492	935,746
Total	17,753,695	18,418,061

4. REVENUE

The Group generates revenue primarily from the sales of merchandise and properties, and 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	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Revenue from contracts with customers		
Sale of merchandise		
– Duty-free	**20,342,803**	21,670,457
– Duty-paid	**7,188,569**	9,157,541
Others	**485,126**	316,279
Subtotal	**28,016,498**	31,144,277
Revenue from other sources		
Rental income from investment properties	**134,252**	120,721
Total	**28,150,750**	31,264,998

For the six months ended 30 June 2025, the Group had revenue from contracts with customers recognised over time of RMB44,567,000 (six months ended 30 June 2024: RMB16,709,000). 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	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Interest income from financial assets measured at amortised cost	**474,028**	567,360
Net exchange gains	**193,881**	80,889
Others	**26,064**	96,645
Total	**693,973**	744,894

6. PROFIT BEFORE TAXATION

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

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Finance costs		
Interest expenses on interest-bearing borrowings	**44,082**	42,394
Interest expenses on lease liabilities	**44,110**	55,510
Total	**88,192**	97,904
Staff costs		
Salaries, wages and other benefits	**1,401,280**	1,565,849
Contribution to defined contribution retirement plans	**143,758**	174,269
Total	**1,545,038**	1,740,118
Other items		
Cost of inventories	**19,063,844**	20,928,837
Depreciation and amortisation of:		
– Investment properties	**22,996**	24,183
– Right-of-use assets	**248,968**	247,029
– Other property, plant and equipment	**381,625**	338,971
– Intangible assets	**18,470**	15,967
Total	**672,059**	626,150
Lease expenses not included in the measurement of lease liabilities:		
– Variable leases and short-term leases (i)	**2,197,767**	2,316,566
Licensing fees for duty-free operation	**560,039**	612,798

(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*.

7. INCOME TAX

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

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Current tax – Hong Kong Profits Tax		
Provision for corporate income tax ("CIT") for the period	228,536	290,445
Current tax – Mainland China (including Macau SAR) and elsewhere		
Provision for CIT for the period	428,048	531,456
Underprovision for CIT in respect of the prior periods	20,470	26,337
Current tax		
PRC land appreciation tax ("LAT")	3,969	4,615
Deferred tax	84,423	53,520
Total tax charge for the period	765,446	906,373

(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 2024: 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 2024: 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 2024: 12%). The subsidiary of the Group incorporated in Cambodia is subject to income tax at a rate of 20% (six months ended 30 June 2024: 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 2024: 30%). The subsidiary of the Group incorporated in Singapore is subject to income tax at a rate of 17% (six months ended 30 June 2024: 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 for this subsidiary was calculated on the same basis for the six months ended 30 June 2025 and 2024.

7. INCOME TAX (CONTINUED)

(iii) In 2022, the Ministry of Finance and the State Administration of Taxation issued the Notice on the Further Implementation of Preferential Income Tax for Small and Micro Enterprises (Cai Shui [2022] No. 13), which provides that, for the portion of annual taxable income of small and micro enterprises exceeding RMB1,000,000 but not exceeding RMB3,000,000 shall be deducted to 25% of the taxable income and subject to income tax at a rate of 20% for the period from 1 January 2022 to 31 December 2024.

In 2023, the Ministry of Finance and the State Administration of Taxation issued the Notice on the Preferential Income Tax for Small and Micro Enterprises and Individual Business Households (Cai Shui [2023] No. 6), which provides that, for the portion of annual taxable income of small and micro enterprises not exceeding RMB1,000,000 shall be deducted to 25% of the taxable income and subject to income tax at a rate of 20% for the period from 1 January 2023 to 31 December 2024.

In accordance with 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 Enterprises 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; (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), respectively, published by the Ministry of Finance and the State Administration of Taxation effective on 23 June 2020 and 24 January 2025, 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 Mainland China 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	
	2025 (Unaudited)	2024 (Unaudited)
Profit attributable to equity shareholders of the Company for the period (in RMB'000)	**2,621,899**	3,305,551
Weighted average number of ordinary shares (in '000)	**2,068,859**	2,068,859
Basic earnings per share (in RMB)	**1.2673**	1.5978

9. INVESTMENT PROPERTIES

	Amount RMB'000
Cost:	
At 1 January 2025	1,654,598
Transfer from other property, plant and equipment	14,980
Transfer to other property, plant and equipment	(20,109)
Transfer from right-of-use assets	1,673
Transfer to right-of-use assets	(3,852)
Other	(3,166)
At 30 June 2025 (unaudited)	1,644,124
Accumulated amortisation:	
At 1 January 2025	(225,753)
Charge for the period	(22,996)
Transfer from other property, plant and equipment	(2,650)
Transfer to other property, plant and equipment	2,700
Transfer from right-of-use assets	(490)
Transfer to right-of-use assets	938
At 30 June 2025 (unaudited)	(248,251)
Carrying amount:	
At 30 June 2025 (unaudited)	1,395,873
At 1 January 2025	1,428,845

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 2024 was evaluated by an independent professional valuer, China Alliance Appraisal Co., Ltd..

At 30 June 2025, the Group's investment properties with a carrying value of RMB1,196,543,000 (31 December 2024: RMB1,215,764,000) were pledged to secure general banking facilities granted to the Group (Note 19).

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 2025	2,262,472	4,584,771	6,847,243
Additions	–	66,462	66,462
Acquisition of a subsidiary	–	555	555
Disposals	–	(418,863)	(418,863)
Modification	–	(13,130)	(13,130)
Transfer from an investment property	3,852	–	3,852
Transfer to investment properties	(1,673)	–	(1,673)
Transfer to inventories	(6,525)	–	(6,525)
Exchange differences	–	(27,921)	(27,921)
At 30 June 2025 (unaudited)	2,258,126	4,191,874	6,450,000
Accumulated depreciation:			
At 1 January 2025	(483,242)	(2,718,680)	(3,201,922)
Charge for the period	(29,048)	(226,364)	(255,412)
Written back on disposals	–	140,661	140,661
Transfer from an investment property	(938)	–	(938)
Transfer to investment properties	490	–	490
Transfer to inventories	904	–	904
Exchange differences	–	10,477	10,477
At 30 June 2025 (unaudited)	(511,834)	(2,793,906)	(3,305,740)
Carrying amount:			
At 30 June 2025 (unaudited)	1,746,292	1,397,968	3,144,260
At 1 January 2025	1,779,230	1,866,091	3,645,321

At 30 June 2025, certain of the Group's land use rights with a net carrying amount of approximately RMB405,870,000 (31 December 2024: RMB411,913,000) were pledged to secure general banking facilities granted to the Group (Note 19).

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 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Included in "Right-of-use assets":		
– Ownership interests in leasehold land for own use	1,746,292	1,779,230
– Buildings	1,397,968	1,866,091
Subtotal	3,144,260	3,645,321
Included in "Investment properties":		
– Ownership interests in leasehold land held for lease	223,629	232,317
Total	3,367,889	3,877,638

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

	Six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Depreciation charges of right-of-use assets by class of underlying assets:		
– Ownership interests in leasehold land for own use	22,604	22,509
– Buildings	226,364	221,888
– Motor vehicles, furniture, and others	–	2,632
– Ownership interests in leasehold land held for lease	3,452	3,547
Total	252,420	250,576
Interest expenses on lease liabilities (Note 6)	44,110	55,510
Variable lease payments not included in the measurement of lease liabilities (Note 6)	2,197,767	2,316,566

10. RIGHT-OF-USE ASSETS (CONTINUED)

(c) Ownership interests in leasehold land for own use

The Group has obtained land use rights in the Mainland China 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 back 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 10 years for retail stores and 2 to 5 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 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 2025	7,358,085	86,248	121,221	280,867	3,027,212	972,145	11,845,778
Additions	–	2,796	569	8,016	31,419	386,172	428,972
Acquisition of a subsidiary	–	3	8	269	973	–	1,253
Disposals	–	(114)	(2,438)	(47,957)	–	–	(50,509)
Transfer within other property, plant and equipment	–	–	–	–	39,288	(39,288)	–
Transfer to investment properties	(14,980)	–	–	–	–	–	(14,980)
Transfer from investment properties	20,109	–	–	–	–	–	20,109
Transfer to inventories	–	–	–	–	–	(150,433)	(150,433)
Exchange differences	–	(27)	(42)	(396)	(2,133)	–	(2,598)
At 30 June 2025 (unaudited)	7,363,214	88,906	119,318	240,799	3,096,759	1,168,596	12,077,592
Accumulated depreciation:							
At 1 January 2025	(1,430,722)	(31,868)	(99,612)	(195,776)	(1,941,342)	–	(3,699,320)
Charge for the period	(124,989)	(7,158)	(2,453)	(13,923)	(233,102)	–	(381,625)
Transfer from investment properties	(2,700)	–	–	–	–	–	(2,700)
Transfer to investment properties	2,650	–	–	–	–	–	2,650
Write-back on disposals	–	94	2,290	45,697	–	–	48,081
Exchange differences	–	11	35	347	–	–	393
At 30 June 2025 (unaudited)	(1,555,761)	(38,921)	(99,740)	(163,655)	(2,174,444)	–	(4,032,521)
Carrying amount:							
At 30 June 2025 (unaudited)	5,807,453	49,985	19,578	77,144	922,315	1,168,596	8,045,071
At 1 January 2025	5,927,363	54,380	21,609	85,091	1,085,870	972,145	8,146,458

At 30 June 2025, the Group was in the process of obtaining ownership certificates for buildings with an aggregate carrying amount of RMB1,492,642,000 (31 December 2024: RMB1,515,937,000). 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 2025, certain of the Group's buildings with a net carrying amount of approximately RMB1,599,176,000 (31 December 2024: RMB1,625,316,000) were pledged to secure general banking facilities granted to the Group (Note 19).

Notes to interim condensed consolidated financial information

12. INVENTORIES

Inventories in the condensed consolidated statement of financial position comprise:

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Completed properties held for sale	1,485,700	1,523,461
Merchandise held for trading	15,401,813	15,824,922
Total	16,887,513	17,348,383

At 30 June 2025, certain of the Group's completed properties held for sale with a net carrying amount of approximately RMB1,196,474,000 were pledged to secure general banking facilities granted to the Group (Note 19).

13. TRADE AND OTHER RECEIVABLES

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Non-current:		
Deposits and other receivables	509,166	518,646
Current:		
Trade receivables (i)	304,365	273,257
Prepayments for purchases of merchandise	749,163	836,761
Prepayments for variable and short-term leases	1,865	2,042
Value-added tax recoverable	1,078,455	1,071,260
Lease and other deposits	271,625	272,492
Time deposits (ii)	2,100,599	700,788
Others	666,881	580,081
Subtotal	5,172,953	3,736,681
Total	5,682,119	4,255,327

13. TRADE AND OTHER RECEIVABLES (CONTINUED)

(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 a creditworthy licensed bank in Mainland China earning interest at fixed rates of 1.10% or 2.05% per annum (31 December 2024: 1.35% 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.

14. OTHER NON-CURRENT ASSETS

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Completed properties held for sale (i)	530,895	532,082

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

At 30 June 2025, certain of the Group's completed properties held for sale with a net carrying amount of approximately RMB530,895,000 were pledged to secure general banking facilities granted to the Group (Note 19).

15. CASH AND TIME DEPOSITS

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Cash at banks and on hand	20,185,539	11,000,073
Deposits at CTG Finance Company Limited ("CTG Finance"), a related financial institution	8,019,242	10,225,917
Time deposits	5,141,843	13,591,326
Cash and time deposits	33,346,624	34,817,316
Less: Interest receivable of time deposits	24,609	44,159
Cash and cash equivalents	33,322,015	34,773,157
Cash and cash equivalents included in the condensed consolidated statement of cash flows	33,322,015	34,773,157

16. TRADE AND OTHER PAYABLES

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Trade payables	2,709,098	3,675,970
Payables for property constructions	1,059,144	1,008,908
Dividends payable	380,933	51,462
Employee benefits payable	538,919	741,006
Licensing fees payable	560,400	1,059,420
Other taxes payable	96,065	168,422
Variable and short-term lease and other operating expenses payable	775,034	990,406
Others	926,455	719,385
Total	7,046,048	8,414,979

All of the trade and other payables are expected to be settled within one year or are repayable on demand.

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

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Within 1 year	2,636,407	3,572,640
1 to 2 years	4,626	59,285
2 to 3 years	45,748	27,188
Over 3 years	22,317	16,857
Total	2,709,098	3,675,970

17. CONTRACT LIABILITIES

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Customer loyalty program liabilities (i)	723,843	787,642
Advances received from customers (ii)	226,005	327,536
Total	949,848	1,115,178

(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 respective revenue is mainly expected to be recognised within a few days when the goods or services are accepted by customers.

18. DEFERRED TAX

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

The component of deferred tax assets and liabilities before offset 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 2025	36,837	337,799	9	374,645
Credited to profit or loss (Note 7)	(2,340)	(104,825)	(9)	(107,174)
At 30 June 2025 (unaudited)	34,497	232,974	–	267,471

18. 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 2025	641,457	383,728	95,180	352,959	75,128	1,548,452
Credited/(charged) to profit or loss (Note 7)	(22,739)	(56,877)	(10,001)	(109,844)	7,864	(191,597)
Exchange differences	–	–	–	–	(5)	(5)
At 30 June 2025 (unaudited)	618,718	326,851	85,179	243,115	82,987	1,356,850

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

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	1,124,112	1,211,198
Net deferred tax liabilities recognised in the consolidated statement of financial position	34,733	37,391

19. INTEREST-BEARING BORROWINGS

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

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Non-current:		
Bank borrowings		
– Secured (i)	2,689,418	2,362,816
Loans from China Tourism Group Co., Ltd. ("CTG") (iv)	207,047	204,231
Subtotal	2,896,465	2,567,047
Current:		
Bank borrowings		
– Secured (i)	295,586	159,401
– Unsecured (ii)	228,652	232,632
Loans from non-controlling shareholders (iii)	149,717	152,055
Subtotal	673,955	544,088
Total	3,570,420	3,111,135

(i) As at 30 June 2025, the Group has drawn down floating interest bank loans amounting to RMB2,985,004,000 (31 December 2024: RMB2,522,217,000), carrying interest at five-year loan prime rate ("LPR") minus 1.5% per annum (31 December 2024: five-year LPR minus 1.5% per annum), which are secured by certain properties, of the Group with a carrying amount of RMB4,928,959,000 (31 December 2024: RMB3,252,993,000), further details of which were disclosed in Note 9, Note 10, Note 11, Note 12 and Note 14. 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.

(ii) As at 30 June 2025, the Group has drawn down unsecured floating interest bank loans amounting to HK$250,000,000 (equivalent to RMB227,988,000) (31 December 2024: HK$250,000,000 (equivalent to RMB231,510,000)), carrying interest at three-month Hong Kong Interbank Offered Rate ("HIBOR") plus 1.5% per annum (31 December 2024: three-month HIBOR plus 1.7% before August 2024 and three-month HIBOR plus 1.5% after August 2024).

(iii) As at 30 June 2025, the Group has drawn down unsecured floating interest loans amounting to HK$40,000,000 (equivalent to RMB36,478,000) (31 December 2024: HK$40,000,000 (equivalent to RMB37,042,000)), carrying interest at three-month HIBOR plus 2.0% per annum (31 December 2024: three-month HIBOR plus 2.0% per annum) and an unsecured fixed interest loan amounting to MOP127,400,000 (equivalent to RMB112,713,000) (31 December 2024: MOP127,400,000 (equivalent to RMB114,465,000)), carrying interest at 0.73% per annum (31 December 2024: 0.73% per annum).

(iv) As at 30 June 2025, the Company has drawn down shareholder loans amounting to RMB200,000,000 (31 December 2024: RMB200,000,000) from CTG, carrying interest at 2.80% per annum (31 December 2024: 3.65% before April 2024 and 2.80% after April 2024).

20. CAPITAL AND DIVIDENDS

(i) Dividends

Dividends declared to the equity shareholders of the Company for the six months ended 30 June 2025 and 2024 are as follows:

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Final dividend in respect of the previous year, declared in the following year	2,172,302	3,413,617
Dividend per ordinary share (RMB)	1.05	1.65

(ii) Share capital

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Registered, issued and fully paid: 2,068,859,044 ordinary shares	2,068,859	2,068,859

21. COMMITMENTS

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

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Purchase of property, plant and equipment	395,697	469,893

22. 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 and its subsidiaries other than the Group ("CTG Group") for the periods ended 30 June 2025 and 2024.

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Service fee income (a)	**1,167**	2,426
Service fees paid/payable (b)	**67,959**	58,863
Rental expenses paid/payable (c)	**74**	133
Rental income (d)	**5,503**	5,420
Interest income (e)	**81,617**	32,128
Interest expenses (f)	**2,816**	3,275

Notes:

(a) Service fee income mainly represents income from construction consulting services and business travel services provided to fellow subsidiaries.

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

(c) Rental expenses paid/payable represent expenses related to office short-term lease provided by fellow subsidiaries.

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

(e) 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.

(f) Interest expense represents interest incurred on the shareholders loan from CTG.

22. 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 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Deposits at CTG Finance	9,419,242	10,225,917
Loans from CTG	207,047	204,231
Trade and other receivables	16,709	22,257
Trade and other payables	31,198	43,384

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

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Guarantees provided by CTG Finance	321,446	270,000

(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 2025 and 2024, the terms of which are fair and reasonable.

	Six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Sales of merchandise income (a)	203,775	86,977
Service fee income (b)	6,590	7,207
Service fees paid/payable (c)	268,320	366,662
Rental income (d)	1,626	941
Rental expenses paid/payable	2,504	2,444

22. MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

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

Notes:

(a) Sales of merchandise 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 construction consulting services and 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 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 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Trade and other receivables	33,653	43,140
Trade and other payables	70,079	11,749
Contract liabilities	24,541	10,099

(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 2025 and 2024, the terms of which are fair and reasonable.

	Six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Service fees paid/payable (a)	1,595	–

Note:

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

22. 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 account caption summarised as follows:

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Trade and other receivables	3,648	2,078
Trade and other payables	626	440

(iv) Key management personnel remuneration

	Six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Short-term employee benefits	7,775	8,446
Discretionary bonuses	5,110	150
Total	12,885	8,596

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

23. 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.

23. 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 2025 and 31 December 2024.

(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:

In 2025, 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.

23. 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 2025 and 31 December 2024:

	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	9.89% (31 December 2024: 9.89%)	1% (31 December 2024: 1%) increase/decrease in percentage would result in increase/decrease in fair value by RMB61,000 (31 December 2024: RMB61,000)
		Long-term growth rate of revenue	5% (31 December 2024: 5%)	1% (31 December 2024: 1%) increase/decrease in percentage would result in increase/decrease in fair value by RMB207,000 (31 December 2024: RMB207,000)

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 2025 (31 December 2024: 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 was no transfers into or out of Level 3 for financial liabilities (31 December 2024: 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 2025 and 31 December 2024.

24. 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.

25. 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 26 August 2025.

DEFINITIONS

"A Share(s)"	ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, which is/are listed on the Shanghai Stock Exchange and traded in RMB
"Audit and Risk Management Committee"	the audit and risk management committee of the Board
"Board" or "Board of Directors"	our board of Directors
"CDFG"	China Duty Free Group Co., Ltd. (中國免稅品(集團)有限責任公司), a limited liability company incorporated in the PRC and a subsidiary of the Company
"CDF Investment"	CDF Investment Development Co., Ltd. (中免投資發展有限公司) (formerly known as CITS (Beijing) Investment Development Co., Ltd. (前稱國旅(北京)投資發展有限公司)), a limited liability company incorporated in the PRC and a subsidiary 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"	Corporate Governance Code as contained in Appendix C1 to the Hong Kong Listing Rules
"China" or "PRC"	the People's Republic of China
"Company" or "our Company"	China Tourism Group Duty Free Corporation Limited (中國旅遊集團中免股份有限公司), a joint stock company incorporated in the PRC with limited liability whose A Shares are listed on the Shanghai Stock Exchange (stock code: 601888) and H Shares are listed on the Hong Kong Stock Exchange (stock code: 1880)
"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 26, 2025, being the latest practicable date prior to the publication of this interim report for the purpose of ascertaining certain information contained herein
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"Macau SAR"	the Macao Special Administrative Region of the PRC
"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, 2025
"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
"Supervisor(s)"	the supervisor(s) of the Company
"Supervisory Committee"	the supervisory committee of the Company
"SSE" or "Shanghai Stock Exchange"	the Shanghai Stock Exchange
"2025 Interim Report"	interim report of the Group for the six months ended June 30, 2025
"%"	percentage