

# Dufry signs cooperation agreement with Hainan Development Holdings

Recently, Dufry AG made clear its intentions to focus energy on its growth strategy within China; this has continued with the announcement today that the company has signed a strategic cooperation agreement with Hainan Development Holdings (HDH), a fully state-owned company of the Hainan Provincial Government, to develop opportunities in Hainan's travel retail market.

First, the companies will focus on the development of the duty-free operation at Hainan's Mova Mall in Haikou, the capital of Hainan Island. Visitors to Hainan from mainland China are permitted to buy duty free items up to an amount of 100.000 RMB (approx. USD 14,000) per year.

The Mova Mall complex, which welcomed 22 million visitors in 2019, features a vast offer of shopping, dining and entertainment facilities, with over 2,500 luxury hotel rooms in walking distance.

The new downtown duty-free shop will span over 38,920 square meters across two buildings of the Mova Mall — Aquarius and Capricorn.

This will take place in three phases. The first phase is expected to open before the Chinese Spring Festival in 2021. The initial offer in the duty-free store will include core categories such as perfume & cosmetics, food and confectionery, wine & spirits, as well as sunglasses and luxury items from global brands and local premium labels.

The second and third phase will bring an additional range of top luxury and lifestyle brands in all categories. These phases are expected to be fully completed in the second and third quarters 2021.

Julian Diaz, Dufry Group CEO, commented: "We highly value the common understanding we have reached with our partner Hainan Development Holdings, to jointly develop the duty-free opportunities in the fast-growing Hainan market and beyond. Hainan Development Holding's in-depth understanding of the local market and the duty-free license they hold, combined with Dufry's global expertise, understanding of customer behaviors and access to all the renowned global brands represents a unique combination of skills with which to create a successful business in Hainan. We are very proud to assist in this duty-free operation at the Mova Hall in Haikou, thus contributing to the successful development of Hainan."

Gu Gang, Secretary of the Party Committee and Chairman of the Hainan Development Holdings, commented: "As the primary investment entity and financing platform for significant projects in Hainan Province, Hainan Development Holdings strives to promote the construction of Hainan Free Trade Port and International Tourism Consumption Center through the building of tourism, modern services and high-tech industries. The establishment of the wholly-owned Global Consumer Boutique (Hainan) Trading Co., Ltd. will further expand the scope of the offshore duty-free business and digital operation models, Global Consumer Boutique (Hainan) Trading Co., Ltd. will keep pace with the international standards of brands, variety and foreign tourists' duty-free shopping demands."