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中煙國際（香港）有限公司  
**China Tobacco International (HK) Company Limited**  
*(incorporated in Hong Kong with limited liability)*  
**(Stock code: 6055)**

**POSITIVE PROFIT ALERT**

This announcement is made by China Tobacco International (HK) Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

**BACKGROUND**

References are made to the Company’s announcements dated 23 September 2021, 22 October 2021 and 29 November 2021 and circular dated 29 September 2021 in relation to the acquisition (the “**Acquisition**”) of the entire issued and outstanding quotas of China Tabaco Internacional do Brasil Ltda. (together with its subsidiary, China Brasil Tabacos Exportadora S.A. (“**CBT**”), the “**CTIB Group**”) by the Company, which was completed on 26 November 2021.

With reference to the Company’s circular dated 29 September 2021 in relation to the Acquisition, CTIB Group completed a reorganisation on 31 March 2021, and recognized the gain on deemed disposal of a joint venture of HK\$406.0 million (the “**Gain on Deemed Disposal**”), which has been reflected in the Group’s consolidated financial statements for the year ended 31 December 2021.

## **POSITIVE PROFIT ALERT**

The Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary assessment of the Group’s latest unaudited management accounts and the information currently available to it, the Group is expected to record for the year ending 31 December 2022 (the “**Year**”) an increase in profit attributable to the owners of the Company of not less than 20%, as compared to the profit attributable to the owners of the Company for the year ended 31 December 2021 (excluding the impact of the Gain on Deemed Disposal). The expected increase in profit attributable to the owners of the Company for the Year as compared to that of the year of 2021 (excluding the impact of the Gain on Deemed Disposal) is primarily attributable to the following reason: (1) a significant year-on-year increase in the gross profit margin of the Group’s tobacco leaf products import business thanks to the gradually emerging vertical integration effect of the supply chain after the Acquisition of the CTIB Group; (2) a significant year-on-year increase in the revenue scale and gross profit margin of the Group’s Brazil operation business as a result of the Group’s vigorous efforts; (3) the overall improvement in the gross profit of the Group’s business attributable to the expansion of the scale of cigar leaf imports; and (4) the impact of time factor as the Group only started to consolidate the results of CBT as a subsidiary from 31 March 2021 when control over CBT was obtained.

The information contained in this announcement has not been audited or reviewed by the Company’s independent auditors. The unaudited annual results of the Group for the Year may differ from the information contained in this announcement.

**Detailed financial information of the Group for the Year will be disclosed in the annual results announcement of the Company for the Year which is expected to be published before 31 March 2023. Shareholders and potential investors are advised to read the annual results announcement of the Company when it is published.**

**Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

By order of the board of directors of  
**China Tobacco International (HK) Company Limited**  
**Shao Yan**  
*Chairman*

Hong Kong, 7 December 2022

*As at the date of this announcement, the board of directors of the Company comprises Mr. Shao Yan, as chairman and non-executive director, Ms. Yang Xuemei, Mr. Wang Chengrui, Mr. Xu Zengyun and Ms. Mao Zilu as executive directors, and Mr. Chow Siu Lui, Mr. Wang Xinhua, Mr. Chau Kwok Keung and Mr. Qian Yi as independent non-executive directors.*