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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)

**STRATEGIC COOPERATION MEMORANDUM
WITH CHINA TOBACCO SICHUAN INDUSTRIAL CO., LTD**

**CONTINUING CONNECTED TRANSACTIONS
FRAMEWORK AGREEMENTS ON CIGARETTES EXPORT TO NEW REGIONS**

**STRATEGIC COOPERATION MEMORANDUM WITH CHINA TOBACCO SICHUAN
INDUSTRIAL CO., LTD**

Based on the successful launch of China Tobacco Sichuan “Great Wall” cigar products by the Company in the Hong Kong market, to further enhance the cigar business of the Company and broaden the overseas development scope, on 8 April 2024, the Company entered into the “Great Wall” Cigar Strategic Cooperation Memorandum with China Tobacco Sichuan.

The Memorandum is a long-term strategic cooperation memorandum and is not legally binding. Future collaboration terms will be negotiated and agreed upon by both parties separately.

CONTINUING CONNECTED TRANSACTIONS

On 8 April 2024, the Company entered into the Framework Agreements on Cigarettes Export to New Regions with the relevant Sellers in relation to the procurement of cigarettes from the relevant Sellers for the Company’s onward sales and export of cigarettes to the New Designated Regions.

Each of the Sellers is an subsidiary of CNTC. CNTC, in turn through its direct wholly-owned subsidiary, CTIG, holds approximately 72.29% of the total issued share capital of the Company as at the date of this announcement, and is the ultimate controlling shareholder of the Company. Therefore, each Seller, by virtue of being an associate of CNTC, is a connected person of the Company as defined under the Listing Rules.

The annual caps in respect of the cigarette procurement transactions contemplated under the Framework Agreements on Cigarettes Export to New Regions are US\$7,780,000, US\$8,530,000 and US\$9,360,000 for the years ending 31 December 2024, 2025 and 2026, respectively. As the applicable percentage ratios under the Listing Rules in respect of the highest annual cap for the cigarette procurement transactions contemplated under the Framework Agreements on Cigarettes Export to New Regions exceed 0.1% but are all less than 5%, such transactions constitute continuing connected transactions which are subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

STRATEGIC COOPERATION MEMORANDUM WITH CHINA TOBACCO SICHUAN INDUSTRIAL CO., LTD

The Board is pleased to announce that, based on the successful launch of China Tobacco Sichuan “Great Wall” cigar products by the Company in the Hong Kong market, to further enhance the cigar business of the Company and broaden the overseas development scope, the Company entered into the non-legally binding “Great Wall” Cigar Strategic Cooperation Memorandum with China Tobacco Sichuan on 8 April 2024.

1. Scope of Cooperation

Pursuant to the Memorandum, both parties agree to, among others, (i) fully leverage the advantages of both parties in product research and development, technological craft, channel expansion, and brand cultivation, and collaborate to accelerate the expansion of the overseas market for “Great Wall” cigar products; (ii) continuously supply high-quality cigar tobacco leaf raw materials to China Tobacco Sichuan by utilising the Company’s global procurement platform advantage in cigar tobacco leaves; and (iii) explore collaboration models such as overseas brand licensing and overseas production licensing and promote the rapid growth of “Great Wall” cigar products in overseas market.

2. Term

Both parties intend to work together for long-term commencing from the date of the Memorandum.

3. Nature of the Memorandum

The Memorandum is a long-term strategic cooperation memorandum and is not legally binding. Future collaboration terms will be negotiated and agreed upon by both parties separately.

4. About China Tobacco Sichuan

China Tobacco Sichuan, incorporated in the PRC on 8 November 2015, is a subsidiary of CNTC. It mainly engages in the production and sales of cigarettes, cigars, new tobacco products, and pipe tobacco. Among them, the history of “Great Wall” cigar possessed by China Tobacco Sichuan can be traced back to the “Yichuan Industrial Society” established in 1918. With a history of over a hundred years, it has been honored with the Damascus Gold Award, the Panama Silver Award, and recognized as one of the most influential brands in Asia. It has achieved worldwide recognition.

5. Reasons for and Benefits of Entering into the Memorandum

The Company is of the view that within the cooperation framework of the Memorandum, both parties will establish a comprehensive strategic partnership based on the principles of long-term mutual benefit, complementarity and win-win cooperation. Both parties will work closely to collaborate on the rapid growth of “Great Wall” cigar products in the overseas market, with the aim of expanding the development scope for the Company and fostering new opportunities of profit growth. As such, the Board is of the view that the terms of the Memorandum are fair and reasonable, and entering into the Memorandum is in the interests of the Company and its shareholders as a whole.

Shareholders of the Company and potential investors are reminded that the Memorandum only sets out the intention of the parties with respect to the Strategic Cooperation and does not constitute legally binding obligations on the parties, and that the implementation of the Strategic Cooperation (including the transactions contemplated thereunder) is subject to execution of specific legally binding agreement(s) between the parties. As of the date of this announcement, no legally binding agreement has been entered into between the parties in relation to the Strategic Cooperation. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

FRAMEWORK AGREEMENTS ON CIGARETTES EXPORT TO NEW REGIONS

1. INTRODUCTION

Reference is made to the Prospectus of the Company. As disclosed in the Prospectus, pursuant to the Cigarettes Export Exclusive Operation and Long-Term Supply Framework Agreements, the Company procures cigarettes from the CNTC Group (including the Sellers) for the Company's onward sales and export to Hong Kong, Macau, the Kingdom of Thailand, the Republic of Singapore as well as areas within the borders, but outside the customs areas, of the Chinese Mainland. The Stock Exchange has granted the Company a waiver and such transactions under the Cigarettes Export Exclusive Operation and Long-Term Supply Framework Agreements are fully exempted under Chapter 14A of the Listing Rules.

The Company has been making efforts to expand the scale of its cigarettes export business, and as such has been procuring cigarettes from the Sellers for onward sales and export to new regions, including the New Designated Regions. To regulate such transactions and to comply with relevant requirements under the Listing Rules, on 8 April 2024, the Company entered into the Framework Agreements on Cigarettes Export to New Regions with the relevant Sellers.

2. FRAMEWORK AGREEMENTS ON CIGARETTES EXPORT TO NEW REGIONS

Summary of the principal terms of the Framework Agreements on Cigarettes Export to New Regions

Date : 8 April 2024

Parties: : the Company as buyer; and

the counterparties to the transactions contemplated under the Framework Agreements on Cigarettes Export to New Regions are relevant entities under CNTC, for the time being, including China Tobacco Guizhou, China Tobacco Hebei, China Tobacco Henan, China Tobacco Hubei, China Tobacco Jiangsu, China Tobacco Shanghai and China Tobacco Sichuan.

Term : Unless terminated pursuant to the terms of the Framework Agreements on Cigarettes Export to New Regions, the Framework Agreements on Cigarettes Export to New Regions shall become effective upon signing until 31 December 2026.

Individual procurement transactions : Pursuant to the Framework Agreements on Cigarettes Export to New Regions, the Sellers shall provide long-term supply of cigarettes (that is, including cigarettes, cigars and other tobacco monopoly products as stipulated under the State Monopoly Regime, and those cigarette products under the Sellers' brands) to the Company for the Company's onward sales and export of cigarettes in the New Designated Regions.

The Sellers should ensure that when transacting with the Company, approvals, permits and qualifications for export and distribution of cigarettes as required under PRC laws and regulations have been obtained by the relevant CNTC entity.

Specific terms of transactions relating to the supply arrangements contemplated under the Framework Agreements on Cigarettes Export to New Regions shall be separately determined through arm's length negotiation between the Sellers and the Company in the individual agreements to be entered into pursuant to the Framework Agreements on Cigarettes Export to New Regions, taking into account factors such as international market conditions and usual business norms. Specific areas in the New Designated Regions will be determined pursuant to individual agreements entered into for the procurement transactions under the Framework Agreements on Cigarettes Export to New Regions.

Pricing policies : The pricing policies for procurement transactions under the Framework Agreements on Cigarettes Export to New Regions generally follow that for the procurement transactions contemplated under the Cigarettes Export Business Exclusive Operation and Long-Term Supply Framework Agreements. The parties to the Framework Agreements on Cigarettes Export to New Regions shall negotiate the procurement price with reference to (i) the pricing documents issued by relevant authorities in respect of each particular transaction or product (including the No. 250 Notice); and (ii) if there are no such pricing document as mentioned in paragraph (i), international market practice and industry norms.

Details of such pricing policies are set out in the below section "*Pricing policies and measures to ensure our connected transactions are on normal commercial terms or better*".

- Payment terms : The Company will settle the payment with the Sellers within 10 days via telegraphic transfers remittance after the receipt of the remittance notice from the Sellers.
- Consequence of default : If the Company becomes aware that the Seller has breached its obligation under the terms of the Framework Agreements on Cigarettes Export to New Regions, the Company shall promptly notify the Seller in writing and the Seller shall immediately rectify such breach. After remedying such breach, the Company and the Seller shall discuss in good faith with respect to any losses sustained by the Company as a result of the breach and the amount of damages that the Seller shall pay to the Company. Where the parties fail to reach an agreement through negotiation, the parties shall submit the dispute to the Hong Kong International Arbitration Centre.
- Amendment and termination : During the term of the agreement, in the event that (i) there shall be any fundamental changes to the currently effective State Monopoly Regime, or (ii) any terms or conditions of the agreement violate any applicable rules and regulations of competent regulatory authorities, so that it becomes impossible for any party to continue carrying on the transactions contemplated in the Framework Agreements on Cigarettes Export to New Regions, either party shall have the right to propose to amend the Framework Agreements on Cigarettes Export to New Regions. In the event that both parties cannot agree on the amendment of the Framework Agreements on Cigarettes Export to New Regions, the Company shall have the unilateral right to terminate the Framework Agreements on Cigarettes Export to New Regions.

Pricing policies and measures to ensure our connected transactions are on normal commercial terms or better

(i) *Premium and Other First Tier Duty-Free Cigarettes*

The pricing of premium and other first tier duty-free cigarette products is determined in compliance with the current pricing regime for the duty-free cigarettes established by STMA, the price at which any operating entity procures premium and other first tier duty-free cigarettes from entities under CNTC must be determined in compliance with the No. 250 Notice issued in September 2017.

According to the No. 250 Notice issued by STMA, the export prices of premium cigarettes shall not be lower than 35% of the tax-excluded allocation price of those sold domestically, while the export prices of other first tier duty-free cigarettes shall not be lower than 45% of the tax-excluded allocation price of those sold domestically. The Company's suppliers must comply with the price floors set by STMA, which are tied to the relevant cigarette allocation prices that are also determined by STMA. On the basis of those price floors, the Company determines the ultimate procurement prices through arm's length negotiations with relevant entities under CNTC in procuring premium cigarettes and first tier cigarettes for export sales. Specifically, the procurement prices generally comprise: (i) suppliers' costs associated with the manufacturing of cigarettes, which include cost of raw material, utility cost, rent of factory premises, storage expenses, staff costs and others; (ii) prevailing market price of shipping costs and insurance costs; (iii) applicable premium in relation to cigarette brand, as industrial companies have greater bargaining power and stronger tendency to add a premium to well-known, influential cigarette brands (e.g., Chunghwa (中華) cigarettes manufactured by China Tobacco Shanghai usually have a higher premium); (iv) applicable discount in relation to factors including historic business relationship with the relevant industrial companies, the Company's business reputation, financial conditions, scale of sales channels and ability to manage downstream wholesalers and others; and (v) other factors, including the relevant industrial companies' suggested retail price and reasonable profit margin of the Company and downstream wholesalers. The Company is not required to be responsible for tax payment in the cigarettes export business.

(ii) *Other Duty-Free Cigarettes*

The prices at which the Company procures other duty-free cigarettes categories from relevant entities under CNTC are determined through arm's length negotiation, using the same pricing policies and taking into consideration the same factors for premium and other first tier duty-free cigarettes as described above, but the pricing for other duty-free cigarettes is not subject to any government-prescribed price floors.

Subsequently, similar as described above for premium and other first tier duty-free cigarettes, the Company determines sales prices of other duty-free cigarettes through arm's length negotiation with customers in the Company's proprietary business. With respect to customers in the Company's incremental business, the Company currently determines sales prices by adding an applicable margin scale of 1% to 2%, 2% to 5% or more than 5% to procurement prices.

(iii) *Duty-Paid Market Cigarettes*

The Company determines the ultimate procurement prices through arm's length negotiations with relevant entities under CNTC in procuring duty-paid market cigarettes for export sales. The procurement prices generally comprise similar factors as considered for the duty-free cigarettes, including: (i) suppliers' costs associated with the manufacturing of cigarettes, which include cost of raw material, utility cost, rent of factory premises, storage expenses, staff costs and others; (ii) prevailing market price of shipping costs and insurance costs; (iii) applicable premium in relation to cigarette brand, as industrial companies have greater bargaining power and stronger tendency to add a premium to well-known, influential cigarette brands (e.g., Chunghwa (中華) cigarettes manufactured by China Tobacco Shanghai usually have a higher premium); (iv) applicable discount in relation to factors including historic business relationship with the relevant industrial companies, the Company's business reputation, financial conditions, scale of sales channels and ability to manage downstream wholesalers and others; and (v) other factors, including the relevant industrial companies' suggested retail price and reasonable profit margin of the Company and downstream wholesalers.

3. PROPOSED ANNUAL CAPS

The Company has been procuring cigarettes from the CNTC Group for the Company's onward sales and export to Hong Kong, Macau, the Kingdom of Thailand, the Republic of Singapore as well as areas within the borders, but outside the customs areas, of the Chinese Mainland under the Cigarettes Export Exclusive Operation and Long-Term Supply Framework Agreements. As mentioned in the Company's annual report for the year ended 31 December 2022, the Company has been making efforts to expand the scale of its cigarettes export business and explore new sales channels. As a part of such efforts, the Company has been procuring cigarettes from the Sellers for onward sales and export to new regions, including the New Designated Regions since 2022. For the year ended 31 December 2023, the aggregated procurement amount from the Sellers in respect of such transactions was immaterial. The applicable percentage ratios under the Listing Rules in respect of such procurement transactions for the year ended 31 December 2023, on an aggregated basis, were all less than 0.1%, and therefore such transactions were fully exempted from reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company intends to further increase efforts in expanding its cigarettes exports business to the New Designated Regions going forward. As such, to comply with relevant requirements under the Listing Rules, and to regulate the procurement of cigarettes from the relevant entities under CNTC for the Company's onward sales and export of cigarettes to the New Designated Regions, which do not fall within the scope of transactions contemplated under the Cigarettes Export Exclusive Operation and Long-Term Supply Framework Agreements nor the waiver as mentioned above, the Company has entered into the Framework Agreements on Cigarettes Export to New Regions with the relevant Sellers.

The transaction amounts in respect of the cigarette procurement transactions contemplated under the Framework Agreements on Cigarettes Export to New Regions are expected to be no more than US\$7,780,000, US\$8,530,000 and US\$9,360,000 for the years ending 31 December 2024, 2025 and 2026, respectively. Accordingly, these amounts are set as the annual caps in respect of the cigarette procurement transactions contemplated under the Framework Agreements on Cigarettes Export to New Regions for the years ending 31 December 2024, 2025 and 2026, respectively.

In determining such annual caps, the Directors have considered the following factors:

- (1) the historical transaction volume and amounts in relation to the cigarettes procured from the Sellers;
- (2) the current and expected demand of customers in the New Designated Regions, including duty-free outlet operators and downstream wholesalers, taking into account their seasonal sales targets, the orders currently under negotiation and historical transaction amounts with such customers;
- (3) the expected demand for cigarettes of end customers in the New Designated Regions, taking into account historical demands of end customers and their current and expected preference and requirements as to cigarette brands and quality;
- (4) the estimated growth of the tobacco market and an expected 5% year-on-year increase in demand of cigarettes of end customers for the years ahead, taking into account average historical growth rates in end customer demands;
- (5) the post-pandemic recovery and growth in the international cigarettes market;
- (6) the trends in relation to the preference for PRC-branded cigarettes in the New Designated Regions; and
- (7) the expected 5% year-on-year increase in unit price of cigarettes.

4. REASONS FOR AND BENEFIT OF ENTERING INTO THE FRAMEWORK AGREEMENTS ON CIGARETTES EXPORT TO NEW REGIONS

The Company conducts the cigarettes export business in its ordinary course of business, including (i) procurement transactions with the relevant counterparties thereof in the cigarettes export business and (ii) sales transactions with independent third-party customers. The Company has established a long-term and stable procurement relationship with the relevant counterparties of the procurement transactions in the cigarettes export business, which are subsidiaries of CNTC. Over the years, they have been important domestic suppliers of our cigarettes export business. The suppliers that can provide cigarettes based on the requirements of potential customers for cigarettes related to specific production areas and specific brands of cigarettes are identified as our connected persons. In order to ensure the Company's continuous and stable procurement of cigarettes from specific production areas and brands, the Company must conduct transactions with connected persons in the procurement transactions of the cigarettes export business.

As the potential customers are located in the New Designated Regions, which do not fall within the designated operating areas for the procurement transactions of the cigarettes export business of the Company which is exempted by the Stock Exchange for an indefinite term, the Company entered into the Framework Agreements on Cigarettes Export to New Regions with relevant counterparties with a term of no more than three years. The entering into of the Framework Agreements on Cigarettes Export to New Regions will ensure that the Sellers undertake the obligation to supply the Company with the products necessary for the Company's operation of the cigarettes export and distribution business in the long run, which is beneficial to the Company's future business expansion and brings useful and constructive supplements to the existing market regions of the cigarettes export business, establishing a more comprehensive and healthier customer portfolio, gaining reputation in a wider region to reach more potential purchasers, and increasing the Group's revenue by satisfying the demand for Chinese cigarettes in the global market.

Under the State Monopoly Regime, CNTC Group is the only legal supplier of PRC cigarettes sold to duty-free and duty-paid markets for export purpose, Therefore, the Company has to transact with CNTC Group in the cigarettes procurement transactions of the Company's export business. The Company expects to continue procuring cigarettes provided by CNTC Group.

5. LISTING RULES IMPLICATIONS

As disclosed in the section headed “Connected Transactions” in the Prospectus, in respect of the Cigarettes Export Exclusive Operation and Long-Term Supply Framework Agreements and the transactions contemplated thereunder, the Company has applied for, and the Stock Exchange has granted the Company, a waiver from strict compliance with the requirements of the term of the continuing connected transaction not exceeding three years and setting annual monetary cap under Rule 14A.52 and Rule 14A.53 of the Listing Rules and the requirements of announcement and independent shareholders’ approval in accordance with Rule 14A.105 of the Listing Rules. As mentioned above, the procurement of cigarettes from the relevant entities under CNTC for the Company’s onward sales and export of cigarettes to the New Designated Regions do not fall within the scope of transactions contemplated under the Cigarettes Export Exclusive Operation and Long-Term Supply Framework Agreements nor the waiver.

Each of the Sellers is an subsidiary of CNTC. CNTC, in turn through its direct wholly-owned subsidiary, CTIG, holds approximately 72.29% of the total issued share capital of the Company as at the date of this announcement, and is the ultimate controlling shareholder of the Company. Therefore, each Seller, by virtue of being an associate of CNTC, is a connected person of the Company as defined under the Listing Rules.

As the applicable percentage ratios under the Listing Rules in respect of the highest annual cap for the cigarette procurement transactions contemplated under the Framework Agreements on Cigarettes Export to New Regions exceed 0.1% but are all less than 5%, such transactions constitute continuing connected transactions which are subject to the reporting and announcement requirements but are exempt from the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules.

Mr. Shao Yan, a non-executive Director and chairman of the Board, who also concurrently holds executive positions at CTIG, the controlling shareholder of the Company and a direct wholly-owned subsidiary of CNTC, has abstained from voting on the relevant Board resolutions to approve the Framework Agreements on Cigarettes Export to New Regions, the transactions contemplated thereunder and the determination of the annual caps. Save as disclosed above, to the best knowledge of the Company, none of the other Directors has any material interest in the Framework Agreements on Cigarettes Export to New Regions and the transactions contemplated thereunder, and therefore no other Director was required to abstain from voting on the Board resolutions approving the Framework Agreements on Cigarettes Export to New Regions and the transactions contemplated thereunder (including the annual caps).

The Directors (excluding Mr. Shao Yan but including all the independent non-executive Directors) believe that the Framework Agreements on Cigarettes Export to New Regions were entered into in the ordinary and usual course of business of the Group and are on normal commercial terms or better, and the terms of the Framework Agreements on Cigarettes Export to New Regions (including the annual caps) are fair and reasonable and in the interests of the Company and its shareholders as a whole.

6. INFORMATION ABOUT THE PARTIES

The Company

As at the date of this announcement, the Company is principally engaged in the following businesses: (i) export of tobacco leaf products to Southeast Asia, Hong Kong, Macau, Taiwan and European region; (ii) import of tobacco leaf products in Chinese Mainland from origin countries or regions around the world (other than from sanctioned countries and regions); (iii) export of cigarettes from CNTC Group directly to the duty-free outlets in the Kingdom of Thailand, the Republic of Singapore, Hong Kong, Macau, as well as duty-free outlets within the borders, but outside the customs area, of Chinese Mainland or sales of cigarettes from CNTC Group through distributors; (iv) export of new tobacco products to overseas market worldwide; and (v) procurement, processing, sale of tobacco leaves and procurement of agricultural materials inherent to tobacco production in the Republic of Brazil and from the Republic of Brazil to regions around the world (except the Chinese Mainland).

The Sellers

Each of the Sellers is an enterprise incorporated in the PRC, and an subsidiary of CNTC, the ultimate controlling shareholder of the Company. Each of the Sellers is principally engaged in selling cigarettes to both the Company and other third-party buyers. CNTC owns and/or controls all industrial companies, business companies, import-export companies and certain other entities that engage in the production, supply, sale, import and export matters of the PRC tobacco industry.

7. DEFINITIONS

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

“Board”	the board of Directors
“China Tobacco Guizhou”	China Tobacco Guizhou Industrial Co., Ltd* (貴州中煙工業有限責任公司), an enterprise incorporated in the PRC, and a subsidiary of CNTC
“China Tobacco Hebei”	China Tobacco Hebei Industrial Co., Ltd* (河北中煙工業有限責任公司), an enterprise incorporated in the PRC, and a subsidiary of CNTC
“China Tobacco Henan”	Tobacco Henan China Industrial Co., Ltd* (河南中煙工業有限責任公司), an enterprise incorporated in the PRC, and a subsidiary of CNTC

“China Tobacco Hubei”	China Tobacco Hubei Industrial Co., Ltd* (湖北中煙工業有限責任公司), an enterprise incorporated in the PRC, and a subsidiary of CNTC
“China Tobacco Jiangsu”	China Tobacco Jiangsu Industrial Co., Ltd* (江蘇中煙工業有限責任公司), an enterprise incorporated in the PRC, and a subsidiary of CNTC
“China Tobacco Shanghai”	Shanghai Tobacco Group Co., Ltd* (上海煙草集團有限責任公司), an enterprise incorporated in the PRC, and a subsidiary of CNTC
“China Tobacco Sichuan”	China Tobacco Sichuan Industrial Co., Ltd* (四川中煙工業有限責任公司), an enterprise incorporated in the PRC, and a subsidiary of CNTC
“Chinese Mainland”	the PRC, excluding Hong Kong, Macau and Taiwan
“Cigarettes Export Business Exclusive Operation and Long-Term Supply Framework Agreement”	as disclosed in the Prospectus, the framework agreements entered into by the Company and each of the relevant entities under CNTC with respect to the procurement of cigarettes from such connected persons for the Company’s onward sale and export of cigarettes in Hong Kong, Macau, the Kingdom of Thailand, the Republic of Singapore as well as areas within the borders, but outside the customs areas, of the Chinese Mainland
“CNTC”	China National Tobacco Corporation* (中國煙草總公司), an enterprise incorporated in the PRC, and the ultimate controlling shareholder of the Company
“CNTC Group”	CNTC and its subsidiaries
“Company”	China Tobacco International (HK) Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange (stock code: 6055)
“CTIG”	China Tobacco International Group Limited (中煙國際集團有限公司), a company incorporated in Hong Kong with limited liability, and the controlling shareholder of the Company
“Directors”	the directors of the Company

“Framework Agreements on Cigarettes Export to New Regions”	the framework agreements between the Company and the Sellers with respect to the procurement of cigarettes from such connected persons for the Company’s onward sales and export of cigarettes in the New Designated Regions, for the time being, including the framework agreements dated 8 April 2024 entered into by (i) the Company, and (ii) each of China Tobacco Guizhou, China Tobacco Hebei, China Tobacco Henan, China Tobacco Hubei, China Tobacco Jiangsu, China Tobacco Shanghai and China Tobacco Sichuan, respectively
“Memorandum”	the non-legally binding long-term “Great Wall” Cigar Strategic Cooperation Memorandum entered into between the Company and China Tobacco Sichuan on 8 April 2024 for the Strategic Cooperation
“New Designated Regions”	refers to areas other than (i) those specified in the Cigarettes Export Business Exclusive Operation and Long-Term Supply Framework Agreement; and (ii) the Chinese mainland
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Implementation Measures”	the Implementation Measures of the Tobacco Monopoly Law of the PRC (中華人民共和國煙草專賣法實施條例), as promulgated by the State Council of the PRC (中華人民共和國國務院) on 3 July 1997 and effective on the same day, as amended, supplemented and otherwise modified from time to time
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Macau”	the Macau Special Administrative Region of the PRC
“No. 250 Notice”	The Notices of Issuing Interim Measures on Strengthening the Planning and Pricing Management of Duty-free Cigarettes Export by STMA (Guoyanji [2017] No. 250) (國家煙草專賣局關於印發加強免稅出口捲煙計劃和價格管理暫行辦法的通知(國煙計[2017]250號)) issued by STMA on 15 September 2017
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus of the Company dated 28 May 2019

“Seller(s)”	the sellers under the Framework Agreements on Cigarettes Export to New Regions, being relevant entities under CNTC, and for the time being includes China Tobacco Guizhou, China Tobacco Hebei, China Tobacco Henan, China Tobacco Hubei, China Tobacco Jiangsu, China Tobacco Shanghai and China Tobacco Sichuan
“State Monopoly Regime”	the State tobacco monopoly regime of the PRC prescribed by the Tobacco Monopoly Law and the Implementation Measures, in accordance to which the production, sale, import and export of tobacco monopoly commodities in the PRC are subject to State monopoly under law
“STMA”	the State Tobacco Monopoly Administration of the PRC (國家煙草專賣局)
“Strategic Cooperation”	the long-term strategic cooperation between the Company and China Tobacco Sichuan in respect of the promotion of “Great Wall” cigar products and supply of cigar tobacco leaf raw materials to China Tobacco Sichuan, among others
“Tobacco Monopoly Law”	the Tobacco Monopoly Law of the PRC (中華人民共和國煙草專賣法), as promulgated by the Standing Committee of the National People’s Congress on 29 June 1991 and effective on 1 January 1992, as amended, supplemented and otherwise modified from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percent.

* *for identification purpose only*

By order of the Board
China Tobacco International (HK) Company Limited
Shao Yan
Chairman

Hong Kong, 8 April 2024

As at the date of this announcement, the board of Directors comprises Mr. Shao Yan, as Chairman and non-executive Director, Mr. Dai Jiahui, 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.