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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)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024

China Tobacco International (HK) Company Limited announces the audited consolidated financial results of the Group for the year ended 31 December 2024 together with the comparative figures for the year ended 31 December 2023 as set out below.

FINANCIAL HIGHLIGHTS			
	2024	2023	Year-on-year
	HK\$'000	HK\$'000	change(%)
Revenue	13,074,243	11,836,221	10.5%
Cost of sales	(11,696,601)	(10,747,897)	8.8%
Gross profit	1,377,642	1,088,324	26.6%
Other income, net	120,374	91,117	32.1%
Administrative and other operating expenses	(158,396)	(152,986)	3.5%
Finance costs	(224,096)	(167,396)	33.9%
Profit before taxation	1,115,524	859,059	29.9%
Income tax	(212,722)	(166,686)	27.6%
Profit for the year	902,802	692,373	30.4%
Profit for the year attributable to			
Equity shareholders of the Company	853,735	598,773	42.6%
Earnings per Share			
Basic and diluted (HK\$)	1.23	0.87	
Interim dividend per Share (HK\$)	0.15	—	
Final dividend per Share (HK\$)	0.31	0.32	

To create higher returns for our Shareholders and share the results of our operating gains, after giving full consideration to the Group's sound profitability and sufficient cash flow, the Board recommended a final dividend of HK\$0.31 per Share for the year ended 31 December 2024. Together with the interim dividend of HK\$0.15 per Share already distributed, the total dividend for the year amounted to HK\$0.46 per Share, reflecting a year-on-year growth of 43.8%. The Group will continuously create more value for its Shareholders.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Hong Kong dollars)

		2024	2023
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	4	13,074,243	11,836,221
Cost of sales		<u>(11,696,601)</u>	<u>(10,747,897)</u>
Gross profit		1,377,642	1,088,324
Other income, net	5	120,374	91,117
Administrative and other operating expenses		<u>(158,396)</u>	<u>(152,986)</u>
Profit from operations		1,339,620	1,026,455
Finance costs	6(a)	<u>(224,096)</u>	<u>(167,396)</u>
Profit before taxation	6	1,115,524	859,059
Income tax	7	<u>(212,722)</u>	<u>(166,686)</u>
Profit for the year		<u>902,802</u>	<u>692,373</u>
Profit for the year attributable to:			
Equity shareholders of the Company		853,735	598,773
Non-controlling interests		<u>49,067</u>	<u>93,600</u>
		902,802	692,373
Earnings per Share			
Basic and diluted (HK\$)	9	<u>1.23</u>	<u>0.87</u>
Other comprehensive income:			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of financial statements of overseas subsidiaries		<u>(17,142)</u>	<u>10,065</u>
Other comprehensive income for the year		<u>(17,142)</u>	<u>10,065</u>
Total comprehensive income for the year		<u>885,660</u>	<u>702,438</u>
Total comprehensive income for the year attributable to:			
Equity shareholders of the Company		836,593	608,838
Non-controlling interests		<u>49,067</u>	<u>93,600</u>
		<u>885,660</u>	<u>702,438</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

(Expressed in Hong Kong dollars)

		2024	2023
	Note	HK\$'000	HK\$'000
Non-current assets			
Property, plant and equipment		78,409	43,465
Intangible assets		100,267	131,109
Goodwill		212,929	212,929
Trade and other receivables	10	37,012	58,593
Deferred tax assets	7(d)	15,746	80,687
		<u>444,363</u>	<u>526,783</u>
Current assets			
Inventories		5,425,745	2,973,650
Current tax recoverable	7(c)	33,380	—
Trade and other receivables	10	1,055,593	908,006
Cash and cash equivalents		517,466	570,808
Short-term bank deposits		2,340,108	1,761,148
		<u>9,372,292</u>	<u>6,213,612</u>
Current liabilities			
Trade and other payables and contract liabilities	11	3,553,458	1,438,098
Lease liabilities		9,747	9,131
Bank borrowings		2,947,744	2,480,495
Current tax payable	7(c)	23,532	67,002
Provision for reinstatement cost		—	2,887
		<u>6,534,481</u>	<u>3,997,613</u>
Net current assets		<u>2,837,811</u>	<u>2,215,999</u>
Total assets less current liabilities		<u>3,282,174</u>	<u>2,742,782</u>

		2024	2023
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current liabilities			
Lease liabilities		22,828	537
Deferred tax liabilities	7(d)	68,384	46,953
Provision for reinstatement costs		3,692	—
		<u>94,904</u>	<u>47,490</u>
NET ASSETS		<u>3,187,270</u>	<u>2,695,292</u>
Capital and reserves			
Share capital		1,403,721	1,403,721
Reserves		1,601,453	1,089,950
Total equity attributable to equity shareholders of the Company		3,005,174	2,493,671
Non-controlling interests		<u>182,096</u>	<u>201,621</u>
TOTAL EQUITY		<u>3,187,270</u>	<u>2,695,292</u>

NOTES

(Expressed in Hong Kong dollars unless otherwise indicated)

1 GENERAL INFORMATION

China Tobacco International (HK) Company Limited (the “**Company**”) is incorporated in Hong Kong as a limited liability company and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) after completion of its initial public offering (“**IPO**”) on 12 June 2019. China Tobacco International Group Limited (“**CTIG**”), a company incorporated in Hong Kong with limited liability, is the immediate parent of the Company. China National Tobacco Corporation (“**CNTC**”), a company registered in the People’s Republic of China (the “**PRC**”), is the ultimate controlling company of the Company.

The Company and its subsidiaries (collectively, the “**Group**”) are engaged in the following business operations (together, the “**Relevant Businesses**”):

- export of tobacco leaf products to Southeast Asia, Hong Kong, Macau, Taiwan and Non-exclusive Operating Regions for Tobacco Leaf Products (the “**Tobacco Leaf Products Export Business**”);
- import of tobacco leaf products in Chinese Mainland from origin countries or regions around the world (other than from sanctioned countries and regions) (the “**Tobacco Leaf Products Import Business**”);
- export of cigarettes to Exclusive Operating Regions for Cigarettes and New Designated Regions for Cigarettes from CNTC Group directly or through distributors (the “**Cigarettes Export Business**”);
- export of new tobacco products to the global market (except the Chinese Mainland) (the “**New Tobacco Products Export Business**”); and
- procurement, processing, sale of tobacco leaves and procurement of agricultural materials inherent to tobacco production in Republic of Brazil (“**Brazil**”) and from Brazil to regions around the world (except Chinese Mainland) (the “**Brazil Operation Business**”).

2 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The consolidated financial statements for the year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the “**Group**”).

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The financial information relating to the years ended 31 December 2024 and 2023 included in this preliminary announcement of annual results does not constitute the Company’s statutory annual consolidated financial statements for those years but such information is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and the Group will deliver the consolidated financial statements for the year ended 31 December 2024 in due course.

The Group’s auditor has reported on the consolidated financial statements of the Group for the years ended 31 December 2024 and 2023. The auditor’s reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

3 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- Amendments to HKAS 1, *Presentation of financial statements – Classification of liabilities as current or non-current* (“**2020 amendments**”) and amendments to HKAS 1, *Presentation of financial statements – Non-current liabilities with covenants* (“**2022 amendments**”)
- Amendments to HKFRS 16, *Leases – Lease liability in a sale and leaseback*
- Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

None of these developments have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are the Tobacco Leaf Products Export Business, the Tobacco Leaf Products Import Business, the Cigarettes Export Business, the New Tobacco Products Export Business and the Brazil Operation Business as further disclosed in note 4(b).

Disaggregation of revenue from contracts with customers by major products and service lines is as follows:

	2024 HK\$'000	2023 HK\$'000
Revenue from contracts with customers within the scope of HKFRS15		
Disaggregated by major products or service lines		
– Sales of tobacco leaf products	11,363,153	10,496,971
– Sales of cigarettes	1,573,644	1,208,727
– Sales of new tobacco products	135,184	129,979
– Provision of services	2,262	544
	<u>13,074,243</u>	<u>11,836,221</u>

The Group recognises all its revenue point in time. Disaggregation of revenue by geographic markets is further disclosed in note 4(b).

During the year ended 31 December 2024, revenue of approximately HK\$8,256,471,000 (2023: approximately HK\$8,079,031,000) from one customer (2023: one customers) has exceeded 10% of the Group's revenue.

(b) Segment reporting

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (products and services) and geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following reportable segments. No operating segments have been aggregated to form the following reportable segment.

- Tobacco Leaf Products Export Business: export of tobacco leaf products to Southeast Asia, Hong Kong, Macau, Taiwan and Non-exclusive Operating Regions for Tobacco Leaf Products.
- Tobacco Leaf Products Import Business: import of tobacco leaf products in Chinese Mainland from origin countries or regions around the world (other than from sanctioned countries and regions).

- Cigarettes Export Business: export of cigarettes to Exclusive Operating Regions for Cigarettes and New Designated Regions for Cigarettes from CNTC Group directly or through distributors.
- New Tobacco Products Export Business: export of new tobacco products to the global market (except the Chinese Mainland).
- Brazil Operation Business: procurement, processing, sale of tobacco leaves and procurement of agricultural materials inherent to tobacco production in Brazil and from Brazil to regions around the world (except Chinese Mainland).

Segment results, assets and liabilities

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 primarily trade and other receivables and inventories. Segment liabilities include primarily trade and other payables and contract liabilities. The Group's all other assets and liabilities such as non-current assets (except for goodwill and non-current trade and other receivables), cash and cash equivalents, short-term bank deposits, lease liabilities, provision for reinstatement costs, other payables not related to business, borrowings and assets/liabilities associated with deferred or current taxes are not considered specifically attributed to individual segments. These assets and liabilities are classified as corporate assets/liabilities and are managed on a central basis.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments. The measure used for reporting segment profit is gross profit, i.e. reportable segment revenue less cost of sales directly associated therewith. In addition to receiving segment information concerning gross profit, management is provided with segment information concerning revenue. There is no inter-segment revenue between the Group's reportable segments. Other corporate income and expenses, net, mainly refers to net exchange gains/losses, administrative and other operating expenses that are not considered specifically attributed to individual segments.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2024 and 2023 is set out below.

	Tobacco Leaf Products Export Business <i>HK\$'000</i>	Tobacco Leaf Products Import Business <i>HK\$'000</i>	Cigarettes Export Business <i>HK\$'000</i>	New Tobacco Products Export Business <i>HK\$'000</i>	Brazil Operation Business <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
For the year ended 31 December 2024							
Sale of goods	2,059,282	8,254,248	1,573,644	135,184	1,049,623	–	13,071,981
Service income	2,262	–	–	–	–	–	2,262
Reportable segment revenue	<u>2,061,544</u>	<u>8,254,248</u>	<u>1,573,644</u>	<u>135,184</u>	<u>1,049,623</u>	<u>–</u>	<u>13,074,243</u>
Reportable segment gross profit	<u>83,859</u>	<u>825,563</u>	<u>277,414</u>	<u>7,026</u>	<u>183,780</u>	<u>–</u>	<u>1,377,642</u>
Interest income						147,537	147,537
Other corporate income						2,965	2,965
Depreciation and amortisation						(54,545)	(54,545)
Finance costs						(224,096)	(224,096)
Other corporate expenses						(133,979)	(133,979)
Profit before taxation							1,115,524
Income tax expense							(212,722)
Profit for the year							<u>902,802</u>
As at 31 December 2024							
Reportable segment assets	<u>146,656</u>	<u>5,338,190</u>	<u>226,496</u>	<u>11,580</u>	<u>956,125</u>	<u>3,137,608</u>	<u>9,816,655</u>
Reportable segment liabilities	<u>229,422</u>	<u>3,184,720</u>	<u>17,054</u>	<u>18,696</u>	<u>55,434</u>	<u>3,124,059</u>	<u>6,629,385</u>

	Tobacco Leaf Products Export Business <i>HK\$'000</i>	Tobacco Leaf Products Import Business <i>HK\$'000</i>	Cigarettes Export Business <i>HK\$'000</i>	New Tobacco Products Export Business <i>HK\$'000</i>	Brazil Operation Business <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
For the year ended 31 December 2023							
Sale of goods	1,651,660	8,079,030	1,208,727	129,979	766,281	–	11,835,677
Service income	544	–	–	–	–	–	544
Reportable segment revenue	<u>1,652,204</u>	<u>8,079,030</u>	<u>1,208,727</u>	<u>129,979</u>	<u>766,281</u>	<u>–</u>	<u>11,836,221</u>
Reportable segment gross profit	<u>45,139</u>	<u>732,391</u>	<u>164,038</u>	<u>5,715</u>	<u>141,041</u>	<u>–</u>	<u>1,088,324</u>
Interest income						99,181	99,181
Depreciation and amortisation						(51,052)	(51,052)
Finance costs						(167,396)	(167,396)
Other corporate expenses						(109,998)	(109,998)
Profit before taxation							859,059
Income tax expense							(166,686)
Profit for the year							<u>692,373</u>
As at 31 December 2023							
Reportable segment assets	<u>14,981</u>	<u>3,175,370</u>	<u>188,398</u>	<u>5,907</u>	<u>725,252</u>	<u>2,630,487</u>	<u>6,740,395</u>
Reportable segment liabilities	<u>47,691</u>	<u>1,280,791</u>	<u>13,008</u>	<u>15,223</u>	<u>8,348</u>	<u>2,680,042</u>	<u>4,045,103</u>

Geographical information

The following table sets out information on the geographical locations of the Group's revenue from external customers based on the location at which the Group's products are distributed to the customers.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
The PRC, excluding the SARs	9,553,618	9,015,260
Republic of Indonesia	1,504,296	1,257,923
Arab Republic of Egypt	356,079	154,265
Socialist Republic of Vietnam	350,748	179,030
Hong Kong	286,720	308,087
Brazil	264,418	276,339
Kingdom of Belgium	162,730	64,866
Republic of the Philippines	124,014	152,469
Others	471,620	427,982
	<u>13,074,243</u>	<u>11,836,221</u>

The following table sets out information on the geographical location of the Group's property, plant and equipment, intangible assets, and goodwill ("**specified non-current assets**"). The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of property, plant and equipment, and the location of the operation to which they are allocated, in the case of intangible assets and goodwill.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong	31,922	8,564
Brazil	359,683	378,939
	<u>391,605</u>	<u>387,503</u>

5 OTHER INCOME, NET

	2024 HK\$'000	2023 HK\$'000
Net exchange losses	(30,128)	(8,064)
Interest income	147,537	99,181
Others	2,965	—
	<u>120,374</u>	<u>91,117</u>

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Finance costs

	2024 HK\$'000	2023 HK\$'000
Interest on bank borrowings	207,189	154,246
Interest on lease liabilities	221	393
Interest accrued on provision	153	116
Other finance cost	16,533	12,641
	<u>224,096</u>	<u>167,396</u>

(b) Staff costs (including directors' emoluments)

	2024	2023
	HK\$'000	HK\$'000
Salaries, wages and other benefits	104,429	100,216
Contributions to defined contribution retirement plans	2,902	2,591
	107,331	102,807

The Group operates a Mandatory Provident Fund Scheme (“**the MPF scheme**”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the plan vest immediately, there is no forfeited contribution that may be used by the Group to reduce the existing level of contribution.

In addition, as stipulated by the regulations of the PRC, the Group participates in various defined contribution retirement plans organised by the municipal government of Beijing for its staff. The Group is required to make contributions to such retirement plans. The Group has no other material obligation for the payment of pension benefits associated with these plans beyond the annual contributions described above.

Furthermore, the Group's Brazilian subsidiaries offer a defined contribution pension plan to their employees. They have no legal or constructive obligations to pay further contributions if the fund does not have sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The payments to defined contribution pension plans are recognised as expenses when the services that grant right to these payments are rendered. The Group's portion may correspond to up to 250% of the contribution made by the employee, according to a scale of age and salary bands that vary from 1% to 6% of the employee's compensation. Contributions to the plan vest immediately.

(c) Other items

	2024 HK\$'000	2023 HK\$'000
Depreciation		
– owned property and equipment	11,875	9,760
– right-of-use assets	11,771	10,229
	<u>23,646</u>	<u>19,989</u>
Auditors' remuneration		
– audit services	2,211	2,182
– other services	580	604
	<u>2,791</u>	<u>2,786</u>
Amortisation of intangible assets	30,899	31,063
Expense related to short-term lease	2,326	3,314
Impairment losses recognised on trade and other receivables	807	2,896
Cost of inventories [#]	<u>11,657,430</u>	<u>10,694,104</u>

[#] *Cost of inventories includes approximately HK\$54,919,000 (2023: approximately HK\$53,998,000) relating to staff costs, depreciation and amortisation expenses, which total amount is also included in the respective total amounts disclosed separately above or in note 6(c) for each of these types of expenses.*

7 INCOME TAX

(a) Income tax in the statement of profit or loss and other comprehensive income represents:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current tax – Hong Kong Profits Tax		
Provision for the year	126,350	100,127
Current tax – Overseas		
Provision for the year	–	140,584
Deferred tax		
Origination and reversal of temporary difference (<i>note 7(d)</i>)	<u>86,372</u>	<u>(74,025)</u>
	<u>212,722</u>	<u>166,686</u>

The provision for Hong Kong Profits Tax for 2024 is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the year. The Group is not eligible for 8.25% tax band under the two-tiered tax regime introduced by the Hong Kong SAR Government in 2024 and 2023 as this concession has been taken elsewhere in the larger group to which the Group belongs.

The provision for Hong Kong Profits Tax for 2024 takes into account a reduction granted by the Hong Kong SAR Government of 100% of the tax payable for the year of assessment 2023/24 subject to a maximum reduction of HK\$3,000 for each business (2023: a maximum reduction of HK\$6,000).

Taxation for overseas subsidiaries includes corporate income tax and social contribution tax in Brazil. The applicable rates for corporate income tax and social contribution tax in Brazil are 25% and 9%, respectively during 2024 and 2023.

(b) Reconciliation between tax expense and accounting profit at an applicable tax rate:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit before taxation	<u>1,115,524</u>	<u>859,059</u>
Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned	214,054	188,912
Tax effect of non-deductible expenses	16,824	4,080
Tax effect of non-taxable income	(24,478)	(26,214)
Tax effect of unused tax loss not recognised	5,568	1,581
Others	<u>754</u>	<u>(1,673)</u>
	<u><u>212,722</u></u>	<u><u>166,686</u></u>

The Group has not recognised deferred tax assets in respect of tax loss of approximately HK\$51,930,000 (2023: approximately HK\$35,553,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax loss does not expire under current legislation.

(c) Current tax payable/(recoverable) in the consolidated statement of financial position represents:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Provision for Hong Kong Profits Tax for the year	126,350	100,127
Provisional Hong Kong Profits Tax paid	<u>(101,141)</u>	<u>(51,011)</u>
	25,209	49,116
Balance of Hong Kong Profit Tax provision relating to prior years	<u>(1,677)</u>	<u>(666)</u>
Balance of profit tax in Hong Kong	23,532	48,450
Balance of tax in Brazil	<u>(33,380)</u>	<u>18,552</u>
	<u>(9,848)</u>	<u>67,002</u>
Representing		
Current tax recoverable	(33,380)	—
Current tax payable	<u>23,532</u>	<u>67,002</u>
	<u><u>(9,848)</u></u>	<u><u>67,002</u></u>

(d) Deferred tax assets and liabilities recognised:

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

The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred tax arising from	Unrealised profits HK\$'000	Fair value adjustments in relation to business combination HK\$'000	Others HK\$'000	Total HK\$'000
As at 1 January 2023	(8,481)	57,645	(8,873)	40,291
Credited to profit or loss (note 7(a))	(16,599)	(10,692)	(46,734)	(74,025)
As at 31 December 2023 and 1 January 2024	(25,080)	46,953	(55,607)	(33,734)
Charged/(credited) to profit or loss (note 7(a))	9,334	(12,093)	89,131	86,372
As at 31 December 2024	(15,746)	34,860	33,524	52,638

(ii) Reconciliation to the consolidated statement of financial position

	2024 HK\$'000	2023 HK\$'000
Net deferred tax assets in the consolidated statement of financial position	15,746	80,687
Net deferred tax liabilities in the consolidated statement of financial position	(68,384)	(46,953)
	(52,638)	33,734

(e) Pillar Two income tax

The Group has applied the temporary mandatory exception from deferred tax accounting for the top-up tax and accounted for the tax as current tax when incurred.

8 DIVIDENDS

(a) Dividends payable to equity shareholders of the Company attributable to the year

	2024 \$'000	2023 \$'000
Interim dividend declared and paid of HK15 cents per ordinary share (2023: nil)	103,752	—
Final dividend proposed after the end of the reporting period of HK31 cents per ordinary share (2023: HK32 cents per ordinary share)	<u>214,421</u>	<u>221,338</u>
	<u>318,173</u>	<u>221,338</u>

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2024 \$'000	2023 \$'000
Final dividend in respect of the previous financial year, approved and paid during the year, of HK32 cents per share (2023: HK20 cents per share)	<u>221,338</u>	<u>138,336</u>

9 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of approximately HK\$853,735,000 (2023: approximately HK\$598,773,000) and the weighted average of 691,680,000 ordinary shares in issue during the year ended 31 December 2024 (2023: 691,680,000 shares).

Diluted earnings per share presented is the same as the basic earnings per share as there were no potentially dilutive ordinary shares issued.

10 TRADE AND OTHER RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	610,985	513,257
Bills receivable	127,855	2,496
	<u>738,840</u>	<u>515,753</u>
Deposits, prepayments and other receivables	101,912	189,991
Advances to producers	201,438	185,848
VAT recoverable	50,415	75,007
	<u>1,092,605</u>	<u>966,599</u>
Represented by:		
– Current portion	1,055,593	908,006
– Non-current portion	37,012	58,593
	<u>1,092,605</u>	<u>966,599</u>

Apart from certain other tax recoverable, advances to producers and rental deposits, all of the remaining trade and other receivables are expected to be recovered or recognised as expenses within one year.

The Group grants short-term advances to producers in cash or agricultural inputs which are settled through the delivery of tobacco. Additionally, it grants long-term advances to producers for the financing of the production infrastructure. The recovery of these advances may be renegotiated for future harvests due to specific situations and/or default of the producers in the settlement of their short-term debt.

As at the end of each reporting period, the ageing analysis of trade receivables and bills receivable based on the invoice date and net of loss allowance, is as follows:

	2024 HK\$'000	2023 <i>HK\$'000</i>
Within 30 days	71,136	220,842
31 to 90 days	401,163	77,207
Over 90 days	266,541	217,704
	<u>738,840</u>	<u>515,753</u>

The following table sets out an ageing analysis of trade receivables and bills receivable based on due date as at the dates indicated:

	2024 HK\$'000	2023 <i>HK\$'000</i>
Not past due	701,531	253,385
Past due 1 to 30 days	2,037	39,808
Past due 31 to 90 days	35,122	125,720
Past due over 90 days	150	96,840
	<u>738,840</u>	<u>515,753</u>

Trade receivables are normally due within 30 to 180 days from the date of billing. The Group generally does not hold any collateral over the balances.

11 TRADE AND OTHER PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables	3,419,802	1,232,557
Contract liabilities	28,665	29,262
Dividends payables to non-controlling interests	23,837	53,618
Other payables and accruals	<u>81,154</u>	<u>122,661</u>
Financial liabilities measured at amortised cost	<u><u>3,553,458</u></u>	<u><u>1,438,098</u></u>

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand. Included in trade payables were certain amounts due to the non-controlling interests of CBT.

As at the end of each reporting period, the ageing analysis of trade payables based on the invoice date is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 30 days	2,192,797	626,348
31 to 90 days	1,040,799	330,714
Over 90 days	<u>186,206</u>	<u>275,495</u>
	<u><u>3,419,802</u></u>	<u><u>1,232,557</u></u>

The Group requires advance from certain customers when they place the purchase orders which are recognised as contract liabilities until the control over underlying goods has been transferred. For the years ended 31 December 2024 and 2023, all the opening contract liabilities have been recognised as revenue during the year.

In the ordinary course of business, the Group may receive quality claims made by the end customers from time to time. As at 31 December 2024 and 2023, management believes such quality claims will not have a material adverse effect on the financial performance of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

In 2024, the Group adhered to the development philosophy of “respecting the market, respecting rules, and respecting investors”. We focused on international market expansion, enhancing corporate governance standards, and we committed to the realization of social value. By deepening our existing business advantages and promoting the development of innovative businesses, we achieved significant year-on-year growth in overall performance. Specifically, we realized a cumulative operating revenue of HK\$13.07 billion, representing a year-on-year increase of 10.5%; and realized the profit attributable to equity shareholders of the Company of HK\$854 million, up by 42.6% year-on-year. The main operational achievements of the Group for the year are as follows:

- In terms of Tobacco Leaf Products Import Business, we have strengthened our capability in matching the supply and demand sides of tobacco leaf resources and continued to refine our system for ensuring a supply of high-quality tobacco leaf raw materials. We have enhanced our participation in the raw tobacco leaves market to proactively address fluctuations in production caused by extreme weather; deepened the synergistic collaboration between supply and demand sides to stabilize the upstream and downstream supply chains, enhanced product matching, to ensure a stable supply of high-quality tobacco leaf raw materials.
- In terms of Tobacco Leaf Products Export Business, we have actively expanded market channels to continuously improve business profitability. Effective measures have been taken to optimize market layout and continuously expand business in non-exclusive operating regions; signed long-term supply agreements with key customers and suppliers to stabilize relationships with both supply and demand sides; proactively seized the trend of market demand growth, continuously optimized pricing mechanisms to improve our profitability.
- In terms of Cigarettes Export Business, our proprietary business has shown significant improvement, and initial results have been achieved in the development of duty-paid market business. Focused on brand cultivation and market expansion, we continuously optimized product specification portfolio, and deeply explored incremental potential in existing channels. We effectively promoted the duty-paid market business, and sales of new cigarettes and cigar products and advanced comprehensive improvement of business profitability, and strengthened the lean management of the supply chain. These efforts have collectively driven efficient and sustainable business development.
- In terms of New Tobacco Products Export Business, we have focused on key markets to expand brand influence. We have actively promoted new growth drivers for the Group’s development, optimizing the efficiency of the supply chain at both production and sales ends, and improving product innovation and craftsmanship. By fully leveraging the advantages of our business platform, we have continuously refined our business strategies, optimized market layout and product specification portfolio to enhance brand competitiveness and steadily increase profitability levels.

- In terms of Brazil Operations Business, we have focused on controlling core resources and broadening sales channels. We have actively expanded the regions and scale of raw tobacco acquisition, introduced new categories of cigar tobacco leaf supply to enhance our capability in tobacco raw material allocation. By actively broadening sales channels, we have established a more extensive and robust customer network, thereby improving business profitability. Additionally, we have provided precise services to core customers, effectively enhancing product traceability and comprehensive ESG performance.
- In terms of operational management, we have continuously implemented “Lean Management” to comprehensively enhance the Company’s governance capabilities. We have strengthened our strategic planning, optimized our resource allocation, focused on business planning, reinforced risk prevention, emphasized our budget management, improved asset management levels, enhanced the level of our internal control management, reduced financing and operating costs. Additionally, we have implemented ERP system upgrades to achieve digital reconstruction of business processes, thereby enhancing the level of intelligent corporate management. Furthermore, we have comprehensively revitalized our official website to create an information interaction platform to strengthen investor relations interactions and improve the Group’s external image.
- In terms of human resource management, we have have focused on core business development needs, continuously enriched our talent pool and improved our human resources management system. We have implemented the “Nine-Year Career Development Plan” for employees, and provided clear career paths for our staff. Additionally, we have established a mentorship program, matching new employees with “one-on-one” mentors to enhance their business skills and professional ethics education. Furthermore, we have conducted regular employee satisfaction surveys, continuously optimize human resource management policies to enhance employees’ sense of accomplishment and happiness.
- In terms of ESG management, we have continued to increase our investments in ESG, aiming for a concerted effort between ESG initiatives and corporate development. We have consistently improved our ESG institutional framework and developed our ESG development pathway, effectively enhancing the Group’s ESG governance level. We have actively explored green and low-carbon innovative practices, progressively building a sustainable supply chain to foster climate-resilient “competitiveness”. Furthermore, we have engaged in social welfare initiatives, providing community support and creating employment and internship opportunities for local youth. We have continually enhanced our ESG performance, consistently receiving recognition from authoritative international institutions.

BUSINESS OPERATION REVIEW

Core Businesses

Tobacco Leaf Products Import Business

For the year ended 31 December 2024, the import volume of tobacco leaf products of the Group reached 111,980 tons, representing a decrease of 5,236 tons or 4.5% on a year-on-year basis. The operating revenue reached HK\$8,254.2 million, representing an increase of HK\$175.2 million or 2.2% on a year-on-year basis. The gross profit reached HK\$825.6 million, representing an increase of HK\$93.2 million or 12.7% on a year-on-year basis. The increase in the results was mainly attributable to: (1) the increase in the proportion of Brazil tobacco leaf products with higher gross profit margin that arrived at the ports during the year; and (2) an increase in the overall unit sale prices of imported tobacco leaf products during the year as compared to last year.

Tobacco Leaf Products Export Business

For the year ended 31 December 2024, the export volume of tobacco leaf products of the Group reached 83,487 tons, representing an increase of 12,978 tons or 18.4% on a year-on-year basis. The operating revenue reached HK\$2,061.5 million, representing an increase of HK\$409.3 million or 24.8% on a year-on-year basis. The gross profit reached HK\$83.9 million, representing an increase of HK\$38.7 million or 85.8% on a year-on-year basis. The substantial increase in the results was mainly attributable to: (1) the proactive efforts of the Group in organising marketable sources of tobacco leaves to seize the increasing demand for tobacco leaves in international markets, resulting in a recorded growth in the export volume of tobacco leaf products on a year-on-year basis; and (2) optimisation of pricing strategies, enhancement of the bargaining power on both supply and demand sides, leading to the substantial growth in revenue and gross profit of Tobacco Leaf Products Export Business.

Cigarettes Export Business

For the year ended 31 December 2024, the export volume of cigarettes of the Group reached 3,339,700 thousand sticks, representing an increase of 535,833 thousand sticks or 19.1% on a year-on-year basis. The operating revenue reached HK\$1,573.6 million, representing an increase of HK\$364.9 million or 30.2% on a year-on-year basis. The gross profit reached HK\$277.4 million, representing an increase of HK\$113.4 million or 69.1% on a year-on-year basis. The significant growth in results was mainly due to: (1) the Group's active expansion of its operating regions, promotion of the duty-paid business, and expansion of market coverage, and proactive introduction of new cigarette products, enhancing the momentum of business development; and (2) continuous optimization of cigarette business structure and product portfolio and expansion of the scale and proportion of our proprietary business, driving for the substantial growth in gross profit.

New Tobacco Products Export Business

For the year ended 31 December 2024, the export volume of new tobacco products of the Group reached 761,910 thousand sticks, representing an increase of 84,600 thousand sticks or 12.5% on a year-on-year basis. The operating revenue reached HK\$135.2 million, representing an increase of HK\$5.2 million or 4.0% on a year-on-year basis. The gross profit reached HK\$7.0 million, representing an increase of HK\$1.3 million or 22.9% on a year-on-year basis. The growth in results was mainly due to: (1) the increase in demand for orders in key markets and key channels resulting from strengthening the cultivation of key brands, exploring the incremental potential for expansion of market channels; and (2) continuous optimisation of its business model, enriching the product portfolio, and improving the pricing strategy, so as to continuously bolstering profitability.

Brazil Operation Business

For the year ended 31 December 2024, the export volume of tobacco leaf products to areas outside China from CBT, a non-wholly-owned subsidiary of CTIB, reached 31,627 tons, representing a decrease of 769 tons or 2.4% on a year-on-year basis. The operating revenue reached HK\$1,049.6 million, representing an increase of HK\$283.3 million or 37.0% on a year-on-year basis. The gross profit was HK\$183.8 million, representing an increase of HK\$42.7 million or 30.3% on a year-on-year basis. The substantial increase in the results was mainly due to: (1) a relatively significant increase in the proportion of sales volume of finished tobacco strips with higher unit sale prices during this year; and (2) an increase in the overall unit sale prices of Brazilian tobacco leaf products during this year as compared to last year.

PROSPECTS FOR 2025

Looking ahead to 2025, in light of the evolving landscape and emerging dynamics, as a Chinese saying goes, “A man of wisdom adapts to changes, a man of knowledge acts by circumstances”, the Group will remain committed to its strategic positioning as a “Capital Market Operations and International Business Expansion Platform”. Embracing the ethos of “Aspiring Beyond Limits”, we will prioritize progress in the following key areas:

- Committed to continuously enhancing our profitability and delivering long-term value to our Shareholders. The Group will focus on sustainable development, steadily increase business scale, operational quality and profitability. We ensure stable increases in dividend per Share, thereby bring long-term sustainable returns to Shareholders.
- Adhere to the synergy and development of “organic and inorganic growth”, continuously focus on capital operation platform construction. We proactively seek out, screen, and track high-quality targets that align with the Group’s development strategy, and timely conduct investments and acquisitions, striving for leapfrog development.
- Dynamically analyse international tobacco leaf market trends, and systematically improve business profitability. We will strengthen supply chain resilience, and enhance the capability to respond to supply and demand fluctuations in the international tobacco leaf market, to ensure stable supply of high-quality, cost-effective imported tobacco leaves; strengthen synergies with subsidiaries to expand the supply channel of tobacco leaves; leverage core competitive advantages, deepen cooperation with key customers in key markets, cultivate growth points in emerging markets, and accelerate the global layout of customer networks.

- Continuously focus on the development of our cigarettes brand, optimisation of product structure and portfolio to enhance business profitability. We will deepen strategic cooperation with Chinese cigar enterprises, gradually expand cigar business market coverage; steadily advance the expansion of the duty-paid market to boost product competitiveness, while actively exploring new markets to expand our operational regions.
- Coordinate the innovative development of new tobacco products, enhancing international brand recognition. We will continue to deepen cooperation across both production and sale sides, drive technological innovation and product iteration upgrades in the new tobacco products, and enhance product competitiveness; continuously optimize the business expansion model and pricing strategies for key markets, with a focus on cultivating international brand influence in these key markets.
- Adhere to the “three enhancements and one control” development approach, continuously strengthen CBT core competitiveness. We are committed to integrating the concepts of “enhancing quality control, elevating ESG level, improving brand image, and managing costs and expenses” into the production and sales processes of tobacco leaves; comprehensively strengthen CBT sales team construction to continuously broaden our sales regions and enriching our customer base, enhance the resilience of our business development.
- Focus on corporate governance and continuously improve the Group’s governance system. We will strengthen our forward-looking and predictive capabilities, enhance operational cost control, and elevate the level of meticulous management in financial resources. We will optimize operational management processes and continually improve the level of information system construction to improve corporate governance efficiency. Additionally, we will persist in refining the compliance risk system to boost our risk prevention and control capabilities. We will also continue to maintain efficient communication with domestic and foreign investors to comprehensively enhance the Group’s influence in the global capital markets.
- Dynamically optimize our human resource strategies, focusing on building a market-oriented, international, and professional talent pool. We will optimize and continue to implement the “Nine-Year Career Development Plan” and mentorship programs to strengthen employee growth guidance. We will also maintain our internship program to build a future talent reserve team. Additionally, we will improve our internal training system, organizing high-quality training courses to provide comprehensive support for employees’ career development. Furthermore, we will optimize employee relationship management to enhance employee satisfaction and foster a cohesive and motivated work atmosphere.
- Focus on social value, drive high-quality sustainable development across multiple dimensions. We continue to refine our integrated ESG framework, embedding the principles of “Greener and More Sustainable” practices into all operational aspects to ensure the Group’s long-term sustainability.

FINANCIAL REVIEW

Revenue, Cost of Sales and Gross Profit

For the year ended 31 December 2024, the Group's revenue increased by 10.5% to HK\$13,074.2 million (2023: HK\$11,836.2 million) as compared with the same period in 2023, cost increased by 8.8% to HK\$11,696.6 million (2023: HK\$10,747.9 million) as compared with the same period in 2023, and gross profit increased by 26.6% to HK\$1,377.6 million (2023: HK\$1,088.3 million) as compared with the same period in 2023. The increase in the overall financial performance of the Group was mainly driven by the growth in the Cigarettes Export Business, the Tobacco Leaf Products Import Business and the Brazil Operation Business.

Other Income, Net

For the year ended 31 December 2024, the Group's other income, net increased by 32.1% to HK\$120.4 million (2023: other income, net of HK\$91.1 million) as compared with the same period in 2023, which was mainly due to the significant increase in interest income driven by a higher average deposit interest rate and an increase in short-term bank deposits.

Administrative and Other Operating Expenses

For the year ended 31 December 2024, the Group's administrative and other operating expenses increased by 3.5% to HK\$158.4 million (2023: HK\$153.0 million) as compared with the same period in 2023. The year-on-year growth in administrative and other operating expenses remained relatively stable, while the Group's revenue and profit for the year experienced a substantial increase, which was primarily attributed to the Group's effective cost management and optimisation of expenditure structure.

Finance Costs

For the year ended 31 December 2024, the Group's finance costs increased by 33.9% to HK\$224.1 million (2023: HK\$167.4 million) as compared with the same period in 2023. The expenses were primarily interest on bank borrowings and other finance costs. The significant increase in finance costs was mainly due to the increase of CBT bank borrowings balance and bank borrowings interest rates.

Profit and Profit Attributable to Equity Shareholders of the Company for the Year

For the year ended 31 December 2024, profit for the year attributable to equity shareholders of the Company increased by 42.6% to HK\$853.7 million (2023: HK\$598.8 million) as compared with the same period in 2023. The Group's profit for the year increased by 30.4% to HK\$902.8 million (2023: HK\$692.4 million) as compared to the same period in 2023. The year-on-year increase in profit for the year attributable to equity shareholders of the Company and the Group's profit for the year was mainly driven by the growth in the Cigarettes Export Business, the Tobacco Leaf Products Import Business, the Brazil Operation Business and interest income.

Earnings per Share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of HK\$853.7 million (2023: HK\$598.8 million) and the weighted average of 691,680,000 ordinary shares (2023: 691,680,000 shares) in issue during the year ended 31 December 2024. For the year ended 31 December 2024, the Group's earnings per Share were HK\$1.23 (for the year ended 31 December 2023: HK\$0.87).

Diluted earnings per Share presented is the same as the basic earnings per Share as there were no potentially dilutive ordinary shares issued.

Net Current Assets

As at 31 December 2024, net current assets of the Group amounted to HK\$2,837.8 million (as at 31 December 2023: HK\$2,216.0 million).

Significant Investments

During the year ended 31 December 2024, the Group did not have any significant investments.

Material Acquisition and Disposal

The Group did not conduct any material acquisition or disposal of any subsidiary, associate or joint venture during the year ended 31 December 2024.

Capital Expenditures

Save as disclosed in this results announcement, at 31 December 2024, the Group had no plan relating to material investments and capital assets.

INDEBTEDNESS

Borrowings

As at 31 December 2024, all of the bank borrowings were unsecured, carried at amortised cost and expected to be settled within one year. All of the bank borrowings borne fixed interest and the weighted average interest rates were 7.76% per annum (as at 31 December 2023: 7.58%).

Exposure to Fluctuations in Exchange Rates

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in Real. The Group did not enter into any hedging arrangements to hedge against our exposure to foreign exchange risk but will closely monitor such risk on an ongoing basis.

Contingent Liabilities

As at 31 December 2024, the Group had no significant contingent liabilities (as at 31 December 2023: nil).

Pledge of Assets

As at 31 December 2024, the Group did not pledge any assets (as at 31 December 2023: nil).

Liquidity, Financial Resources and Gearing Ratio

As at 31 December 2024, total assets of the Group amounted to HK\$9,816.7 million (as at 31 December 2023: HK\$6,740.4 million) and cash and cash equivalents and short-term bank deposits of HK\$2,857.6 million (as at 31 December 2023: HK\$2,332.0 million). The Board is of the opinion that the Group has sufficient resources to support its operations and meet its foreseeable capital expenditures. As at 31 December 2024, total liabilities of the Group amounted to HK\$6,629.4 million (as at 31 December 2023: HK\$4,045.1 million).

As at 31 December 2024, the Group had a gearing ratio (being borrowings and lease liabilities divided by total equity) of 0.94 (as at 31 December 2023: 0.92). As at 31 December 2024, the Group had a current ratio (being current assets divided by the current liabilities) of 1.43 (as at 31 December 2023: 1.55).

EMPLOYEES

As at 31 December 2024, the Group had 53 (as at 31 December 2023: 42) employees in Hong Kong and 265 (as at 31 December 2023: 239) employees (excluding seasonal workers) in Brazil. For the year ended 31 December 2024, the staff cost incurred by the Group amounted to HK\$107.3 million (2023: HK\$102.8 million).

The Group strives to remunerate our employees on a market-competitive basis and has established internal policies. The remuneration package of all employees comprises basic salary, performance-related bonus and certain other employee benefits. The Group reviews the remuneration package of its employees annually in reference to the pay trend of the Hong Kong and Brazil markets with consideration of factors such as years of service, relevant professional experience, and performance evaluations.

The Group is committed to building a learning organization. In terms of training and development, we have established a comprehensive training system that covers business knowledge, skills training, and compliance with listing requirements, among other aspects, to enhance employees' overall quality and professional capabilities. Additionally, the Company has introduced a “nine-year plan” for employee development and a mentorship program, providing personalized career path planning and coaching to help employees achieve their personal career goals. The company's general manager personally delivers “The First Lesson for New Employees”, while the management team and department heads conduct training sessions on relevant business areas. Various departments organize training programs based on their functions and actual needs. Throughout the year, we have conducted a diverse range of training sessions, including new employee onboarding, introduction to core business operations, analysis of macroeconomic trends, industry dynamics and trend analysis, compliance with listing requirements, internal rules and procedures, use of professional tools and systems, information security, ESG, and human resource management.

USE OF NET PROCEEDS FROM INITIAL PUBLIC OFFERING

On the Listing Date, the Company issued 166,670,000 Shares at a price of HK\$4.88 per Share pursuant to the initial public offering of the Shares, the total gross proceeds of which amounted to approximately HK\$813 million, and the Shares were listed on the Main Board of the Stock Exchange (the “**Listing**”). The closing price on the Listing Date was HK\$5.35 per Share. On 4 July 2019, the Company issued 25,000,000 Shares at a price of HK\$4.88 per Share pursuant to the full exercise of over-allotment option relating to the Listing by China International Capital Corporation Hong Kong Securities Limited and China Merchants Securities (HK) Co., Limited, the total gross proceeds of which amounted to approximately HK\$122 million. The net proceeds from the Listing (including the net proceeds from the issue of the 25,000,000 Shares pursuant to the exercise of the over-allotment option and net of underwriting fees and relevant expenses) (the “**Net Proceeds**”) amounted to approximately HK\$904 million. The net price to the Company (which was calculated by dividing the Net Proceeds by the number of Shares issued in connection with the initial public offering of the Shares) was approximately HK\$4.72 per Share. The Net Proceeds have been and will continue to be used in a manner consistent with that set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus and the announcement of the Company dated 28 June 2023 in relation to update on expected timeline for use of proceeds.

The use of Net Proceeds during the period from the Listing Date up to 31 December 2024 and the expected timeline of the unutilised amount of the Net Proceeds are set out as follows:

Use of Net Proceeds	Approximate percentage of total amount	Actual amount of Net Proceeds (HK\$ million)	Amount		Unutilised amount as at 31 December 2024 (HK\$ million)	Expected timeline
			Unutilised amount as at 1 January 2024 (HK\$ million)	utilised during the year ended 31 December 2024 (HK\$ million)		
Making investments and acquisitions that are complementary to the Group's business	45%	406.8	81.4	–	81.4	Remainder to be utilised by 30 June 2025.
Supporting the ongoing growth of the Group's business	20%	180.8	171.5	6.4	165.1	Remainder to be utilised by 30 June 2025.
Strategic business cooperation with other international tobacco companies, including to jointly explore and develop emerging tobacco markets	20%	180.8	180.1	1.5	178.6	Remainder to be utilised by 30 June 2025.
General working capital	10%	90.4	–	–	–	Not Applicable
Improving the Group's management of purchase and sales resources and optimizing the Group's operational management	5%	45.2	15.9	11.4	4.5	Remainder to be utilised by 30 June 2025.
Total	100%	904.0	448.9	19.3	429.6	

Note: The expected timeline for utilization of the unutilised Net Proceeds above is based on the Group's best estimation and is subject to change based on the future development of market conditions.

During the year ended 31 December 2024, the Group did not issue any equity securities (including securities convertible into equity securities) or debentures.

PROPOSED FINAL DIVIDEND

The Board recommends a final dividend of HK\$0.31 per Share for the year ended 31 December 2024 (2023: HK\$0.32 per Share), payable in Hong Kong dollars subject to the Shareholders' approval at the AGM. As at the date of this announcement, the Company has 691,680,000 Shares in issue. Based on the number of issued Shares as at the date of this announcement, the final dividend, if declared and paid, will amount to an aggregate amount of approximately HK\$214,421,000.

For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Thursday, 26 June 2025 to Wednesday, 2 July 2025, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the proposed final dividend, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Room 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 25 June 2025. The final dividend is expected to be paid on or about Friday, 18 July 2025 to the Shareholders whose names appear on the register of members of the Company on Wednesday, 2 July 2025.

OTHER INFORMATION

Annual General Meeting

The AGM will be held on Friday, 20 June 2025. A notice convening the AGM will be published on the Company's website and the Stock Exchange's website and dispatched to the Shareholders in accordance with the requirements of the Listing Rules in due course.

Closure of Register of Members

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 16 June 2025 to Friday, 20 June 2025, both dates inclusive, during which period no transfer of its Shares will be registered. In order to be eligible to attend and vote at the AGM, non-registered holders of its Shares shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Room 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 13 June 2025.

COMPLIANCE WITH THE CODE PROVISIONS OF THE CORPORATE GOVERNANCE CODE

The Board is committed to maintaining high corporate governance standards. For the year ended 31 December 2024, the Company has complied with all applicable code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

Further information of the corporate governance practice of the Company will be set out in the corporate governance report in the annual report of the Company for the year ended 31 December 2024.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules to regulate the Directors' securities transactions. All Directors have confirmed, following specific enquiries by the Company, that they had complied with the required standards set out in the Model Code throughout the year ended 31 December 2024.

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

During the year ended 31 December 2024, neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, namely Mr. Chow Siu Lui, Mr. Wang Xinhua and Ms. HE Junhua. The chairman of the Audit Committee is Mr. Chow Siu Lui.

The Audit Committee has reviewed the annual results of the Group for the year ended 31 December 2024. Based on its review and discussions with management, the Audit Committee was satisfied that the annual results were prepared in accordance with applicable accounting standards and fairly present the Group's consolidated financial position and results for the year ended 31 December 2024.

SCOPE OF WORK OF INDEPENDENT AUDITOR

The financial figures in this announcement of the Group's results for the year ended 31 December 2024 have been agreed by the Company's independent auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Company's independent auditor.

EVENTS AFTER THE REPORTING PERIOD

As at the date of this announcement, there is no major event after 31 December 2024 that is required to be disclosed by the Company.

PUBLICATION OF 2024 ANNUAL RESULTS AND 2024 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This announcement is published on the website of the Stock Exchange at <https://www.hkexnews.hk> and the website of the Company at <http://www.ctihk.com.hk>. The annual report of the Company for the year ended 31 December 2024 will be despatched to the Shareholders and be available on the websites of the Stock Exchange and the Company in due course.

DEFINITIONS

“AGM”	annual general meeting of the Company;
“Audit Committee”	the audit committee of the Board;
“Board” or “Board of Directors”	the board of Directors of the Company;
“CBT”	China Brasil Tabacos Exportadora S.A., a company incorporated in Brazil on 15 September 2011 with limited liability;
“China” or “PRC”	the People’s Republic of China;
“China Tobacco” or “CNTC Group”	CNTC and its subsidiaries;
“Chinese Mainland”	PRC excluding Hong Kong SAR, Macau SAR and Taiwan;
“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;
“Companies Ordinance”	Companies Ordinance, Chapter 622 of the Laws of Hong Kong;
“Company”	China Tobacco International (HK) Company Limited (中煙國際(香港)有限公司), stock code: 6055, a company incorporated in Hong Kong with limited liability;
“Corporate Governance Code”	Corporate Governance Code as set out in Appendix C1 to the Listing Rules;
“CTIB”	China Tabaco Internacional do Brasil Ltda. (中煙國際巴西有限公司), a company incorporated in Brazil on 6 June 2002 with limited liability;

“CTIB Group”	CTIB and its subsidiaries, including CBT;
“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;
“ESG”	Environmental, Social and Governance;
“Exclusive Operating Regions for Cigarettes”	duty-free outlets of the Kingdom of Thailand, the Republic of Singapore, Hong Kong, Macau, as well as duty-free outlets within the borders, but outside the customs areas, of the Chinese Mainland;
“Group”, “we” or “our”	the Company and its subsidiaries;
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Date”	12 June 2019, the date on which the Shares were listed on the Main Board of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented, or otherwise modified from time to time;
“Macau”	the Macau Special Administrative Region of the PRC;
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules;
“New Designated Regions for Cigarettes”	areas other than (i) Exclusive Operating Regions for Cigarettes; and (ii) the Chinese Mainland;
“Non-exclusive Operating Regions for Tobacco Leaf Products”	areas other than (i) Southeast Asia, Hong Kong, Macau and Taiwan; and (ii) the Chinese Mainland;
“Prospectus”	the prospectus dated 28 May 2019 issued by the Company;
“Real”	Brazilian real, the lawful currency of Brazil;

“Reporting Period”	the year ended 31 December 2024;
“Share(s)”	ordinary share(s) of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“U.S. dollars”	United States dollars, the lawful currency of the United States of America;
“%”	percent.

In this announcement, the English translation of an entity’s or a company’s name in Chinese which is marked with “” is for identification purpose only. If there is any inconsistency between the Chinese names of entities or companies established in the PRC and their English translations, the Chinese names shall prevail.*

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

Hong Kong, 6 March 2025

As at the date of this announcement, the Board 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. Qian Yi and Ms. He Junhua as independent non-executive Directors.