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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)

CONTINUING CONNECTED TRANSACTIONS
DETERMINATION OF ANNUAL CAPS
OFFSHORE SALES OF TOBACCO LEAF PRODUCTS
FRAMEWORK AGREEMENT

On 29 August 2025, the Company entered into the Offshore Sales of Tobacco Leaf Products Framework Agreement with the relevant Buyers in relation to the sales of tobacco leaf products from the Group to relevant offshore entities under CNTC as part of the Tobacco Leaf Products Export Business.

Each of the Buyers is a subsidiary or associate 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 Buyer, 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 sales transactions contemplated under the Offshore Sales of Tobacco Leaf Products Framework Agreement 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.

INTRODUCTION

On 29 August 2025, the Company entered into the Offshore Sales of Tobacco Leaf Products Framework Agreement with the relevant Buyers in relation to the sales of tobacco leaf products from the Group to relevant offshore entities under CNTC as part of the Tobacco Leaf Products Export Business.

OFFSHORE SALES OF TOBACCO LEAF PRODUCTS FRAMEWORK AGREEMENT

Below is a summary of the principal terms of the Offshore Sales of Tobacco Leaf Products Framework Agreement:

- Date : 29 August 2025
- Parties : the Group as seller; and
the counterparties to the transactions contemplated under the Offshore Sales of Tobacco Leaf Products Framework Agreement are relevant entities under CNTC, for the time being, including Bang Kang Cigarette Factory, Myanmar, Vinton Group Co., Ltd. and Lao-China Hongta Good Luck Tobacco Co., Ltd.
- Term : Effective from 29 August 2025 until 31 December 2027. Upon the expiration of the term, parties may renew the term through arm's length negotiation, subject to compliance with the requirements of the Listing Rules and applicable laws and regulations.
- Individual procurement transactions : The Group shall provide long-term supply of tobacco leaf products, primarily including tobacco leaf, stem, scrap, reconstituted tobacco and cut tobacco to the relevant Buyers.
Specific terms of transactions relating to the sales arrangements contemplated under the Offshore Sales of Tobacco Leaf Products Framework Agreement shall be separately determined through arm's length negotiation between the Group and the Buyers in the individual agreements to be entered into pursuant to the Offshore Sales of Tobacco Leaf Products Framework Agreement.
- Pricing policies : The sales price shall be separately determined between the Group and the Buyers in the individual agreements to be entered into pursuant to the Offshore Sales of Tobacco Leaf Products Framework Agreement. Such price shall be approved by the parties, with reference to international market practice and industry norm.

The price charged by the Group in connection with the transactions under the Offshore Sales of Tobacco Leaf Products Framework Agreement is determined based on the resources devoted by the Group in connection with such transactions and varies according to the unit price of the relevant tobacco leaf products and the gross margin that the Group expects to generate from the sale of such products.

Payment terms : Payment terms shall be separately determined between the Group and the Buyers in the individual agreements to be entered into pursuant to the Offshore Sales of Tobacco Leaf Products Framework Agreement, with reference to normal commercial terms in international markets.

Proposed Annual Caps and Basis of Determination

The table below sets forth the proposed annual caps for the continuing connected transactions contemplated under the Offshore Sales of Tobacco Leaf Products Framework Agreement for the period from 29 August 2025 to 31 December 2025 and for the two years ending 31 December 2026 and 2027, respectively.

| | Proposed Annual Caps | | |
|--|---|--|-------------|
| | For the period from 29 August 2025 to 31 December 2025 | For the year ending 31 December | |
| | | 2026 | 2027 |
| | <i>(HK\$ in million)</i> | | |
| Transactions contemplated under the Offshore Sales of Tobacco Leaf Products Framework Agreement | 55.89 | 328.39 | 380.04 |

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

- historical transaction volume and amounts in relation to the tobacco leaf products sold to the Buyers;
- the current and expected demand of the Buyers, taking into account their procurement and shipping plans, and the orders currently under negotiation. Having communicated with the Buyers, their expected demand for the exported tobacco leaf products in the Tobacco Leaf Products Export Business is expected to rise;

- the estimated growth of the tobacco market in the regions where the Buyers operate;
- the increase in the unit price of the relevant tobacco leaf products, based on types of tobacco leaf products and international market trends;
- a reasonable buffer for the potential transaction amounts crossing over year ends, due to shipping schedules of the tobacco leaf products potentially being brought forward or delayed;
- anticipated progressive growth from the proposed annual caps in 2026 to 2027, as the Company expects a stable increase in the amount of relevant tobacco leaf products to be exported; and
- fluctuation of international currency exchange rates.

Reasons for and Benefits of the Transactions

The Company conducts the Tobacco Leaf Products Export Business in its ordinary course of business, which includes export of tobacco leaf products to Southeast Asia, Hong Kong, Macau, Taiwan and Non-exclusive Operating Regions for Tobacco Leaf Products. The Company has a long-term and stable export relationship with offshore customers over the years through the Company's agency business, whereby the Company acts as an agent for such customers in certain sale transactions of tobacco leaf products as part of the Tobacco Leaf Products Export Business. With the development of the Tobacco Leaf Products Export Business, the Group is now better equipped to supply tobacco leaf products from various global origins and offer a wider range of tobacco leaf product varieties. These products are sourced by the Group from Mainland China, Alliance One International, LLC., and other potential independent third-party suppliers for distribution in the Tobacco Leaf Products Export Business. As a result, offshore customers, including entities under CNTC, expect to purchase tobacco leaf products from the Group in larger quantities through a direct trade model. Depending on customers' preference and the development of the Tobacco Leaf Products Export Business, the Group may gradually increase direct sales transactions with customers, and cease sales through agency transactions for certain types of tobacco leaf products. The Company believes that the transactions under the Offshore Sales of Tobacco Leaf Products Framework Agreement will bring additional revenue to the Group and is consistent with and important to its business and commercial objectives.

LISTING RULES IMPLICATIONS

Each of the Buyers is a subsidiary or associate 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 Buyer, 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 sales transactions contemplated under the Offshore Sales of Tobacco Leaf Products Framework Agreement 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 Offshore Sales of Tobacco Leaf Products Framework Agreement, 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 Offshore Sales of Tobacco Leaf Products Framework Agreement and the transactions contemplated thereunder, and therefore no other Director was required to abstain from voting on the Board resolutions approving the Offshore Sales of Tobacco Leaf Products Framework Agreement 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 Offshore Sales of Tobacco Leaf Products Framework Agreement 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 Offshore Sales of Tobacco Leaf Products Framework Agreement (including the annual caps) are fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION OF 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 Non-exclusive Operating Regions for Tobacco Leaf Products; (ii) import of tobacco leaf products to Chinese Mainland from origin countries or regions around the world (other than from sanctioned countries and regions); (iii) export of cigarettes to the Exclusive Operating Regions for Cigarettes and New Designated Regions for Cigarettes from CNTC Group directly or through distributors; (iv) export of new tobacco products to the global market (except the Chinese Mainland); 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 the global market (except the Chinese Mainland).

The Buyers

Bang Kang Cigarette Factory, Myanmar is a joint venture company incorporated in the Republic of the Union of Myanmar on in 1999. As at the date of this announcement, Bang Kang Cigarette Factory, Myanmar is owned as to 50% by CNTC through Chongqing Tobacco Investment Management Co., Ltd.* (重慶市煙草投資管理有限公司) and 50% by Hein Yun Virginia Tobacco Industries Co., Ltd.. As at the date of this announcement, Hein Yun Virginia Tobacco Industries Co., Ltd. is a company incorporated in the Republic of the Union of Myanmar in 2019 and principally engaged in the production, sales, import and export of tobacco products.

Vinton Group Co., Ltd. is a limited liability company incorporated in the Kingdom of Cambodia in 1993, and a subsidiary of CNTC, the ultimate controlling shareholder of the Company.

Lao-China Hongta Good Luck Tobacco Co., Ltd. is a limited liability company incorporated in Lao People's Democratic Republic in 1992, and a subsidiary of CNTC, the ultimate controlling shareholder of the Company.

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.

Each of the Buyers is principally engaged in the production, processing and sales of tobacco leaf products and cigarettes.

DEFINITIONS

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

| | |
|--------------------|---|
| “Board” | the board of Directors of the Company |
| “Buyer(s)” | the buyers under the, being relevant entities under CNTC, and for the time being includes Bang Kang Cigarette Factory, Myanmar, Vinton Group Co., Ltd. and Lao-China Hongta Good Luck Tobacco Co., Ltd. |
| “Chinese Mainland” | PRC excluding Hong Kong, Macau and Taiwan |

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| “CNTC” | China National Tobacco Corporation* (中國煙草總公司), an enterprise incorporated in the PRC, and the sole shareholder of CTI and CTIG and the ultimate controlling shareholder of the Company. CNTC is wholly owned by the State Council of the PRC |
| “CNTC Group” | CNTC and its subsidiaries |
| “Company” | China Tobacco International (HK) Company Limited (中煙國際(香港)有限公司), a company incorporated in Hong Kong with limited liability and the shares of which are listed on the main board of The Stock Exchange of Hong Kong Limited (Stock Code: 6055) |
| “CTI” | China Tobacco International Inc.* (中國煙草國際有限公司), a company incorporated with limited liability in the PRC and a wholly-owned subsidiary of CNTC |
| “CTIG” | China Tobacco International Group Limited* (中煙國際集團有限公司), the controlling shareholder of the Company and a wholly-owned subsidiary of CNTC |
| “Director(s)” | the director(s) of the Company |
| “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” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| “Macau” | the Macau Special Administrative Region of the People’s Republic of China |
| “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 |
| “Offshore Sales of Tobacco Leaf Products Framework Agreement” | the framework agreements between the Company and the Buyers with respect to the offshore sales of tobacco leaf products from the Group to such connected persons, and for the time being, including the framework agreements dated 29 August 2025 entered into by Bang Kang Cigarette Factory, Myanmar, Vinton Group Co., Ltd. and Lao-China Hongta Good Luck Tobacco Co., Ltd., respectively |
| “PRC” | the People’s Republic of China, excluding, for the purposes of this announcement, Hong Kong, Macau and Taiwan |
| “Southeast Asia” | Indonesia, the Philippines, Malaysia, Vietnam, Cambodia, Laos, Myanmar, Thailand, Singapore, Brunei, the Democratic Republic of Timor-Leste and other countries |
| “Taiwan” | The Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu |
| “Tobacco Leaf Products Export Business” | the Company’s business of export of tobacco leaf products to Southeast Asia, Hong Kong, Macau, Taiwan and Non-exclusive Operating Regions for Tobacco Leaf Products |

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, 29 August 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.