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

**POSITIVE PROFIT ALERT**

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

**Background**

References are made to the Company’s announcements dated 23 September 2021, 22 October 2021 and 29 November 2021 and circular dated 29 September 2021 in relation to the acquisition (the “**Acquisition**”) of the entire issued and outstanding quotas of China Tabaco Internacional do Brasil Ltda. (together with its subsidiary, China Brasil Tabacos Exportadora S.A., the “**CTIB Group**”) by the Company, which was completed on 26 November 2021. Based on the information currently available and having considered the requirements of the Accounting Guideline 5 “Merger accounting for common control combinations” issued by the Hong Kong Institute of Certified Public Accountants, the comparative figures for the year ended 31 December 2020 to be presented in the Company’s consolidated financial statements for the year ending 31 December 2021 (the “**Year**”) will be restated to include the financial position and operating results of the CTIB Group (on a merger basis), as if the current group structure had been in existence since 1 January 2020 (the “**Restatement**”).

With reference to the Company’s circular dated 29 September 2021 in relation to the Acquisition, CTIB Group completed a reorganisation on 31 March 2021, in connection with which a gain on deemed disposal of a joint venture of approximately US\$52 million (equivalent to approximately HK\$406 million) (the “**Gain on Deemed Disposal**”) was recognised. Such Gain on Deemed Disposal will also be reflected in the Group’s consolidated financial statements for the Year.

## **Positive Profit Alert**

The Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary assessment of the Group’s latest unaudited management accounts and the information currently available to it, excluding the impact of the Gain on Deemed Disposal, the Group is expected to record for the Year an increase in revenue of not lower than 120%, and an increase in profit attributable to the owners of the Company of not lower than 190%, as compared to the revenue of the Group and profit attributable to the owners of the Company for the year ended 31 December 2020 (after Restatement). The expected increase in revenue of the Group and profit attributable to the owners of the Company for the Year (excluding the impact of the Gain on Deemed Disposal) as compared to that of the year of 2020 (after Restatement) is primarily attributable to the following reason: the Group maintained close communication with the upstream and downstream of the industrial chain and spared no efforts to alleviate the impact of the COVID-19 pandemic on the supply chain logistics, enabling imported tobacco leaf products delayed in shipment in 2020 to arrive successively during the Year, which resulted in a substantial increase in the revenue and operating results of the Group’s tobacco leaf products import business for the Year as compared to that of 2020 (after Restatement).

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

**Detailed financial information of the Group for the Year will be disclosed in the annual results announcement of the Company for the Year which is expected to be published before 31 March 2022. Shareholders and potential investors are advised to read the annual results announcement of the Company when it is published.**

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

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

Hong Kong, 17 December 2021

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