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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**  
**LEAF TRADING FRAMEWORK TOBACCO SALES AGREEMENT**

On 27 January 2026, the Company and Leaf Trading entered into the Leaf Trading Framework Tobacco Sales Agreement in relation to the sales of tobacco leaf products from the Company to Leaf Trading.

As at the date of this announcement, CTIB is a wholly-owned subsidiary of the Company, and CBT is a non-wholly-owned subsidiary of the Company and is owned as to 51% by the Company through CTIB and 49% by Alliance One Brazil, an indirectly wholly-owned subsidiary of Pyxus. As at the date of this announcement, Leaf Trading is an indirectly wholly-owned subsidiary of Pyxus. As such, Leaf Trading is a connected person of the Company at the subsidiary level, and the Leaf Trading Framework Tobacco Sales Agreement as well as the transactions thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As each of the Framework Tobacco Sales Agreement and CBT Framework Tobacco Sales Agreement, as amended by the 2025 Extension Agreements, were made between the Alliance One Group and the Group, with the Group acting as seller thereunder within a 12-month period prior to the date of the Leaf Trading Framework Tobacco Sales Agreement, each of the Framework Tobacco Sales Agreement and CBT Framework Tobacco Sales Agreement, as amended by the 2025 Extension Agreements, will be aggregated with the Leaf Trading Framework Tobacco Sales Agreement as if they were one transaction pursuant to Rule 14A.81 of the Listing Rules.

Given that (i) Leaf Trading is a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules and transactions carried out in the ordinary course of business of the Group under the Leaf Trading Framework Tobacco Sales Agreement are continuing connected transactions of the Company under Chapter 14A of the Listing Rules; (ii) one or more of the applicable percentage ratios of the annual caps (on an aggregated basis) under the Listing Rules for the sale of tobacco transactions under the Framework Tobacco Sales Agreement, the CBT Framework Tobacco Sales Agreement and Leaf Trading Framework Tobacco Sales Agreement are 5% or more; and (iii) the Board (including all the independent non-executive Directors) has approved Leaf Trading Framework Tobacco Sales Agreement and transactions thereunder (including the annual caps) and has confirmed that the relevant terms of Leaf Trading Framework Tobacco Sales Agreement and the transactions thereunder (including the annual caps) are entered into in the ordinary and usual course of business of the Group, fair and reasonable, on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, the Leaf Trading Framework Tobacco Sales Agreement and the transactions thereunder (including the annual caps) are subject to the reporting and announcement requirements but are exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

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## **LEAF TRADING FRAMEWORK TOBACCO SALES AGREEMENT**

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

Date : 27 January 2026

Parties : the Company as seller; and  
Leaf Trading as purchaser.

Term : Effective from 27 January 2026 until 31 December 2028. Upon the expiration of the term, parties may renew the term through reasonable negotiation, subject to compliance with the requirements of the Listing Rules and applicable laws and regulations.

- Individual procurement transactions : The Company will sell to Leaf Trading certain grades of tobacco leaf products targeted for its end customers worldwide. Specific terms of transactions relating to the sales arrangements contemplated under the Leaf Trading Framework Tobacco Sales Agreement shall be separately determined through arm's length negotiation between the Company and Leaf Trading in the individual agreements to be entered into pursuant to the Leaf Trading Framework Tobacco Sales Agreement.
- Pricing policies : The price and amount of the sale of tobacco leaf products transactions contemplated under the Leaf Trading Framework Tobacco Sales Agreement will be separately negotiated between the Company and Leaf Trading on an arm's length basis. In particular, the tobacco leaf products will be priced with reference to (i) the volume and quality of tobacco leaf products sold, including applicable premium or discount in relation to quality and the corresponding market status of a particular grade; (ii) the Company's procurement costs for such tobacco leaf products, including cost of raw material, utility cost, rent of factory premises, shipping costs, storage expenses and staff costs; and (iii) other factors such as seasonal demand and past sales prices. The same pricing mechanism is adopted for sale of tobacco leaf products to independent third parties of the Group.

### Annual caps

The annual caps in respect of the sale of tobacco transactions under the Leaf Trading Framework Tobacco Sales Agreement for the years ending 31 December 2026, 2027 and 2028 which constituted connected transactions of the Company shall be the following:

	For the year ending 31 December		
	2026	2027	2028
	(HK\$ million)**	(HK\$ million)**	(HK\$ million)**
Leaf Trading Framework Tobacco Sales Agreement	6.7	8.4	9.8

The above annual caps for the sale of tobacco leaf products for the years ending 31 December 2026, 2027 and 2028 are determined with reference to the following factors:

- (a) the historical transaction volume and amounts in relation to the sale of tobacco leaf products to purchasers similar to Leaf Trading, such as the Alliance One Group;

- (b) the expected demand for tobacco leaf products of end customers who procure through Leaf Trading, taking into account their procurement and shipping plans, and the orders currently under negotiation;
- (c) the estimated growth of the tobacco market in the regions where Leaf Trading operates;
- (d) the current and expected production capacity of tobacco leaf products producers who supply to the Group, taking into account their historical performance and expected expansion in the number of tobacco leaf products producers who may supply to the Group;
- (e) the expected cost of procurement from tobacco leaf products producers, taking into account the average historical costs and expected increase in costs; and
- (f) the potential fluctuation in the unit price of the tobacco leaf products, considering changes in exchange rates and inflation.

## **REASONS FOR AND BENEFITS OF ENTERING INTO LEAF TRADING FRAMEWORK TOBACCO SALES AGREEMENT**

Reference is made to the announcement of the Company dated 31 December 2025 in relation to the 2025 Framework Agreements. The Company has a long-term and stable export relationship with the Alliance One Group in the sales of tobacco leaf products transactions. Due to the development of the Company's business in the sales and export of tobacco leaf products, as well as international demand for tobacco leaf products provided by the Company, it is anticipated that in addition to the Alliance One Group, other associates of Pyxus located in various countries or regions around the world, such as Leaf Trading, will also procure tobacco leaf products from the Company for use as raw materials in processing or for onward sales to end customers worldwide. The Company believes that entering into the Leaf Trading Framework Tobacco Sales Agreement with Leaf Trading can help the Group further develop its business in the future, bring additional revenue to the Group by satisfying the overseas demand for tobacco leaf products in the global markets, and is consistent with and important to the Group's business and commercial objectives.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, CTIB is a wholly-owned subsidiary of the Company, and CBT is a non-wholly-owned subsidiary of the Company and is owned as to 51% by the Company through CTIB and 49% by Alliance One Brazil, an indirectly wholly-owned subsidiary of Pyxus. As at the date of this announcement, Leaf Trading is an indirectly wholly-owned subsidiary of Pyxus. As such, Leaf Trading is a connected person of the Company at the subsidiary level, and the Leaf Trading Framework Tobacco Sales Agreement as well as the transactions thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As each of the Framework Tobacco Sales Agreement and CBT Framework Tobacco Sales Agreement, as amended by the 2025 Extension Agreements, were made between the Alliance One Group and the Group, with the Group acting as seller thereunder within a 12-month period prior to the date of the Leaf Trading Framework Tobacco Sales Agreement, each of the Framework Tobacco Sales Agreement and CBT Framework Tobacco Sales Agreement, as amended by the 2025 Extension Agreements, will be aggregated with the Leaf Trading Framework Tobacco Sales Agreement as if they were one transaction pursuant to Rule 14A.81 of the Listing Rules.

Given that (i) Leaf Trading is a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules and transactions carried out in the ordinary course of business of the Group under the Leaf Trading Framework Tobacco Sales Agreement are continuing connected transactions of the Company under Chapter 14A of the Listing Rules; (ii) one or more of the applicable percentage ratios of the annual caps (on an aggregated basis) under the Listing Rules for the sale of tobacco transactions under the Framework Tobacco Sales Agreement, the CBT Framework Tobacco Sales Agreement and Leaf Trading Framework Tobacco Sales Agreement are 5% or more; and (iii) the Board (including all the independent non-executive Directors) has approved Leaf Trading Framework Tobacco Sales Agreement and transactions thereunder (including the annual caps) and has confirmed that the relevant terms of Leaf Trading Framework Tobacco Sales Agreement and the transactions thereunder (including the annual caps) are entered into in the ordinary and usual course of business of the Group, fair and reasonable, on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, the Leaf Trading Framework Tobacco Sales Agreement and the transactions thereunder (including the annual caps) are subject to the reporting and announcement requirements but are exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

To the best knowledge of the Company, none of the Directors has any material interest in the Leaf Trading Framework Tobacco Sales Agreement and the transactions thereunder and therefore no Director was required to abstain from voting on the Board resolutions approving the Leaf Trading Framework Tobacco Sales Agreement and the transactions thereunder (including the annual caps). The Directors (including all the independent non-executive Directors) have unanimously approved the resolution approving the Leaf Trading Framework Tobacco Sales Agreement and the transactions thereunder (including the annual caps).

## 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 the 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 Brazil and from Brazil to the global market (except the Chinese Mainland).

### Leaf Trading

Leaf Trading is a company incorporated under the laws of Russia in 2000, and is an indirectly wholly-owned subsidiary of Pyxus. Leaf Trading is principally engaged in the procurement of raw tobacco leaf products, including tobacco stems and processing it into tobacco leaf products, including cut rolled expanded stems. Leaf Trading is a connected person of the Company at the subsidiary level by virtue of being an associate of Alliance One Brazil. Pyxus is a company incorporated under the laws of the State of Virginia, United States in August 2020 and trading on the New York OTC Market (OTC: PYYX) and is principally engaged in providing tobacco agricultural products, ingredients and related services.

## DEFINITIONS

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

“2025 Extension Agreements”	collectively, the extension agreements dated 31 December 2025 entered into between the Group and the Alliance One Group to extend the term of each of Framework Tobacco Sales Agreement, CBT Framework Tobacco Sales Agreement, Framework Tobacco Purchase Agreement and CBT Framework Tobacco and Services Purchase Agreement for a period of three years from 1 January 2026 to 31 December 2028
“2025 Framework Agreements”	collectively, the Framework Tobacco Sales Agreement, CBT Framework Tobacco Sales Agreement, Framework Tobacco Purchase Agreement and CBT Framework Tobacco and Services Purchase Agreement, as amended by the 2025 Extension Agreements

“Alliance One Brazil”	Alliance One Brasil Exportadora de Tabacos Ltda., a company incorporated in Brazil on 28 October 1971 with limited liability
“Alliance One Group”	Alliance One International and its subsidiaries, including Alliance One Brazil
“Alliance One International”	Alliance One International, LLC, a company organized under the laws of the State of North Carolina, United States in August 2018
“Board”	the board of Directors of the Company
“Brazil”	the Federative Republic of Brazil
“CBT”	China Brasil Tabacos Exportadora S.A., a company incorporated in Brazil on 15 September 2011 with limited liability
“CBT Framework Tobacco and Services Purchase Agreement”	the framework agreement dated 23 September 2021 in relation to the continuing connected transactions for the purchase of agricultural materials, tobacco and services entered into between CBT and Alliance One Brazil
“CBT Framework Tobacco Sales Agreement”	the framework agreement dated 23 September 2021 in relation to the continuing connected transactions for the sale of tobacco entered into between CBT and Alliance One International
“Chinese Mainland”	PRC excluding Hong Kong, Macau and Taiwan
“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
“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 and a wholly-owned subsidiary of the Company
“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
“Framework Tobacco Purchase Agreement”	the framework agreement dated 23 September 2021 in relation to the continuing connected transactions for the purchase of tobacco entered into between the Company and Alliance One International
“Framework Tobacco Sales Agreement”	the framework agreement dated 23 September 2021 in relation to the continuing connected transactions for the sale of tobacco entered into between the Company and Alliance One International
“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
“Leaf Trading”	Leaf Trading Company Limited LLC, a company incorporated under the laws of Russia in 2000
“Leaf Trading Framework Tobacco Sales Agreement”	the framework agreement dated 27 January 2026 in relation to the continuing connected transactions for the sale of tobacco entered into between the Company and Leaf Trading



“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
“PRC”	the People’s Republic of China, excluding, for the purposes of this announcement, Hong Kong, Macau and Taiwan
“Pyxus”	Pyxus International, Inc. (formerly known as and successor of Alliance One International Inc.), a company incorporated under the laws of Virginia, United States in August 2020 and trading on the New York OTC Market (OTC: PYYX)
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the shares of the Company
“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
“U.S. dollars” or “US\$”	United States dollars, the lawful currency of the United States of America

*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.*

*For the purposes of this announcement, the exchange rate of US\$1.00=HK\$7.80 has been used for units which are marked with “\*\*”, for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at the above rate or at any other rates at all.*

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

Hong Kong, 27 January 2026

*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.*