

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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 2025**

China Tobacco International (HK) Company Limited announces the audited consolidated financial results of the Group for the year ended 31 December 2025 together with the comparative figures for the year ended 31 December 2024 as set out below.

<b>FINANCIAL HIGHLIGHTS</b>	<b>2025</b>	<b>2024</b>	<b>Year-on-year</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>change(%)</b>
Revenue	<b>14,579,069</b>	13,074,243	11.5
Cost of sales	<b>(13,105,932)</b>	(11,696,601)	12.0
Gross profit	<b>1,473,137</b>	1,377,642	6.9
Other income, net	<b>157,277</b>	120,374	30.7
Administrative and other operating expenses	<b>(172,270)</b>	(158,396)	8.8
Finance costs	<b>(176,322)</b>	(224,096)	-21.3
Profit before taxation	<b>1,281,822</b>	1,115,524	14.9
Income tax	<b>(234,677)</b>	(212,722)	10.3
Profit for the year	<b>1,047,145</b>	902,802	16.0
Profit for the year attributable to			
Equity shareholders of the Company	<b>980,285</b>	853,735	14.8
Earnings per Share			
Basic and diluted (HK\$)	<b>1.42</b>	1.23	
Interim dividend per Share (HK\$)	<b>0.19</b>	0.15	
Final dividend per Share (HK\$)	<b>0.33</b>	0.31	

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\$0.33 per Share for the year ended 31 December 2025. Together with the interim dividend of HK\$0.19 per Share already distributed, the total dividend for the year amounted to HK\$0.52 per Share, reflecting a year-on-year growth of 13.0%. 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 2025**

*(Expressed in Hong Kong dollars)*

	Note	2025 HK\$'000	2024 HK\$'000
<b>Revenue</b>	4	<b>14,579,069</b>	13,074,243
Cost of sales		<u>(13,105,932)</u>	<u>(11,696,601)</u>
<b>Gross profit</b>		<b>1,473,137</b>	1,377,642
Other income, net	5	157,277	120,374
Administrative and other operating expenses		<u>(172,270)</u>	<u>(158,396)</u>
<b>Profit from operations</b>		<b>1,458,144</b>	1,339,620
Finance costs	6(a)	<u>(176,322)</u>	<u>(224,096)</u>
<b>Profit before taxation</b>	6	<b>1,281,822</b>	1,115,524
Income tax	7	<u>(234,677)</u>	<u>(212,722)</u>
<b>Profit for the year</b>		<u><b>1,047,145</b></u>	<u>902,802</u>
<b>Profit for the year attributable to:</b>			
Equity shareholders of the Company		<b>980,285</b>	853,735
Non-controlling interests		<u><b>66,860</b></u>	<u>49,067</u>
		<b>1,047,145</b>	902,802
<b>Earnings per Share</b>			
Basic and diluted (HK\$)	9	<u><b>1.42</b></u>	<u>1.23</u>
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of financial statements of overseas subsidiaries		<u><b>5,133</b></u>	<u>(17,142)</u>
<b>Other comprehensive income for the year</b>		<u><b>5,133</b></u>	<u>(17,142)</u>
<b>Total comprehensive income for the year</b>		<u><b>1,052,278</b></u>	<u>885,660</u>
<b>Total comprehensive income for the year attributable to:</b>			
Equity shareholders of the Company		<b>985,418</b>	836,593
Non-controlling interests		<u><b>66,860</b></u>	<u>49,067</u>
		<u><b>1,052,278</b></u>	<u>885,660</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025***(Expressed in Hong Kong dollars)*

		2025	2024
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		95,540	78,409
Intangible assets		69,410	100,267
Goodwill		212,929	212,929
Trade and other receivables	<i>10</i>	38,743	37,012
Deferred tax assets	<i>7(e)</i>	64,972	15,746
		<u>481,594</u>	<u>444,363</u>
<b>Current assets</b>			
Inventories		4,062,068	5,425,745
Current tax recoverable	<i>7(d)</i>	29,311	33,380
Trade and other receivables	<i>10</i>	1,087,677	1,055,593
Cash and cash equivalents		279,029	517,466
Short-term bank deposits		3,033,694	2,340,108
		<u>8,491,779</u>	<u>9,372,292</u>
<b>Current liabilities</b>			
Trade and other payables and contract liabilities	<i>11</i>	2,233,889	3,553,458
Lease liabilities		18,612	9,747
Bank borrowings		2,765,608	2,947,744
Current tax payable	<i>7(d)</i>	35,263	23,532
		<u>5,053,372</u>	<u>6,534,481</u>
<b>Net current assets</b>		<u>3,438,407</u>	<u>2,837,811</u>
<b>Total assets less current liabilities</b>		<u>3,920,001</u>	<u>3,282,174</u>

	<i>Note</i>	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Non-current liabilities</b>			
Lease liabilities		<b>36,886</b>	22,828
Deferred tax liabilities	<i>7(e)</i>	<b>24,168</b>	68,384
Provision for reinstatement costs		<b>3,692</b>	3,692
Pillar Two tax liabilities	<i>7(d)</i>	<b>8,785</b>	—
		<u><b>73,531</b></u>	<u>94,904</u>
<b>NET ASSETS</b>		<u><b>3,846,470</b></u>	<u>3,187,270</u>
<b>Capital and reserves</b>			
Share capital		<b>1,403,721</b>	1,403,721
Reserves		<u><b>2,241,031</b></u>	<u>1,601,453</u>
<b>Total equity attributable to equity shareholders of the Company</b>		<b>3,644,752</b>	3,005,174
<b>Non-controlling interests</b>		<u><b>201,718</b></u>	<u>182,096</u>
<b>TOTAL EQUITY</b>		<u><u><b>3,846,470</b></u></u>	<u><u>3,187,270</u></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 2025 comprise the Company and its subsidiaries (together referred to as the “**Group**”).

These financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“**HKFRSs**”), 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 2025 and 2024 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 2024 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 2025 in due course.

The Group’s auditor has reported on the consolidated financial statements of the Group for the years ended 31 December 2025 and 2024. 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 amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to these financial statements report for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

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:

	<b>2025</b>	2024
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>Revenue from contracts with customers within the scope of HKFRS15</b>		
Disaggregated by major products or service lines		
– Sales of tobacco leaf products	<b>12,843,816</b>	11,363,153
– Sales of cigarettes	<b>1,666,267</b>	1,573,644
– Sales of new tobacco products	<b>64,273</b>	135,184
– Provision of services	<b>4,713</b>	2,262
	<b><u>14,579,069</u></b>	<u>13,074,243</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 2025, revenue of approximately HK\$9,588,829,000 (2024: approximately HK\$8,256,471,000) to one customer (2024: one customer) 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 2025 and 2024 is set out below.

	Tobacco Leaf Products Export Business HK\$'000	Tobacco Leaf Products Import Business HK\$'000	Cigarettes Export Business HK\$'000	New Tobacco Products Export Business HK\$'000	Brazil Operation Business HK\$'000	Unallocated HK\$'000	Total HK\$'000
<b>For the year ended 31 December 2025</b>							
Sale of goods	2,476,732	9,538,150	1,666,267	64,273	828,934	-	14,574,356
Service income	4,713	-	-	-	-	-	4,713
Reportable segment revenue	<u>2,481,445</u>	<u>9,538,150</u>	<u>1,666,267</u>	<u>64,273</u>	<u>828,934</u>	<u>-</u>	<u>14,579,069</u>
Reportable segment gross profit	<u>156,641</u>	<u>772,089</u>	<u>380,510</u>	<u>3,410</u>	<u>160,487</u>	<u>-</u>	<u>1,473,137</u>
Interest income						163,301	163,301
Other corporate income						-	-
Depreciation and amortisation						(55,764)	(55,764)
Finance costs						(176,322)	(176,322)
Other corporate expenses						(122,530)	(122,530)
Profit before taxation							1,281,822
Income tax expense							(234,677)
Profit for the year							<u>1,047,145</u>
<b>As at 31 December 2025</b>							
Reportable segment assets	<u>110,555</u>	<u>4,158,101</u>	<u>281,332</u>	<u>23,134</u>	<u>761,033</u>	<u>3,639,218</u>	<u>8,973,373</u>
Reportable segment liabilities	<u>208,787</u>	<u>1,919,301</u>	<u>17,678</u>	<u>24,695</u>	<u>17,238</u>	<u>2,939,204</u>	<u>5,126,903</u>

	Tobacco Leaf Products Export Business HK\$'000	Tobacco Leaf Products Import Business HK\$'000	Cigarettes Export Business HK\$'000	New Tobacco Products Export Business HK\$'000	Brazil Operation Business HK\$'000	Unallocated HK\$'000	Total HK\$'000
<b>For the year ended 31 December 2024</b>							
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							<u>(212,722)</u>
Profit for the year							<u>902,802</u>
<b>As at 31 December 2024</b>							
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>

### *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.

	<b>2025</b>	2024
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Chinese Mainland	<b>10,953,396</b>	9,553,618
Republic of Indonesia	<b>1,818,595</b>	1,504,296
Brazil	<b>514,958</b>	264,418
Socialist Republic of Vietnam	<b>369,848</b>	350,748
Hong Kong	<b>333,661</b>	286,720
Republic of the Philippines	<b>63,438</b>	124,014
The Republic of Korea	<b>48,301</b>	—
Republic of Paraguay	<b>36,699</b>	53,186
The Republic of Poland	<b>35,524</b>	23,991
Kingdom of Belgium	<b>33,021</b>	162,730
Arab Republic of Egypt	<b>13,716</b>	356,079
Others	<b>357,912</b>	394,443
	<b><u>14,579,069</u></b>	<u>13,074,243</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.

	<b>2025</b>	2024
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Hong Kong	<b>50,520</b>	31,922
Brazil	<b>327,359</b>	359,683
	<b><u>377,879</u></b>	<u>391,605</u>

**5 OTHER INCOME, NET**

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Net exchange losses	<b>(6,024)</b>	(30,128)
Interest income	<b>163,301</b>	147,537
Others	—	2,965
	<u><b>157,277</b></u>	<u>120,374</u>

**6 PROFIT BEFORE TAXATION**

Profit before taxation is arrived at after charging:

**(a) Finance costs**

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on bank borrowings	<b>155,020</b>	207,189
Interest on lease liabilities	<b>2,271</b>	221
Interest accrued on provision	<b>226</b>	153
Other finance cost	<b>18,805</b>	16,533
	<u><b>176,322</b></u>	<u>224,096</u>

(b) Staff costs (including directors' emoluments)

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Salaries, wages and other benefits	122,267	104,429
Contributions to defined contribution retirement plans	<u>3,061</u>	<u>2,902</u>
	<u><u>125,328</u></u>	<u><u>107,331</u></u>

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Depreciation		
– owned property and equipment	9,719	11,875
– right-of-use assets	<u>15,171</u>	<u>11,771</u>
	<u><b>24,890</b></u>	<u><b>23,646</b></u>
Auditors' remuneration		
– audit services	2,472	2,211
– other services	<u>929</u>	<u>580</u>
	<u><b>3,401</b></u>	<u><b>2,791</b></u>
Amortisation of intangible assets	30,874	30,899
Expense related to short-term lease	1,536	2,326
Impairment losses recognised on trade and other receivables	5,381	807
Cost of inventories <sup>#</sup>	<u><b>13,065,093</b></u>	<u><b>11,657,430</b></u>

# *Cost of inventories includes approximately HK\$62,694,000 (2024: approximately HK\$54,919,000) 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) Taxation in the consolidated statement of profit or loss represents:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Current tax – Hong Kong Profits Tax</b>		
Provision for the year	162,763	126,350
Pillar Two income taxes ( <i>note 7(c)</i> )	8,785	–
<b>Current tax – Overseas</b>		
Provision for the year	156,571	–
<b>Deferred tax</b>		
Origination and reversal of temporary difference ( <i>note 7(e)</i> )	<u>(93,442)</u>	<u>86,372</u>
	<u><b>234,677</b></u>	<u><b>212,722</b></u>

The provision for Hong Kong Profits Tax for 2025 is calculated at 16.5% (2024: 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 Government in 2025 and 2024 as this concession has been taken elsewhere in the larger group to which the Group belongs.

The provision for Hong Kong Profits Tax for 2025 takes into account a reduction granted by the Hong Kong Government of 100% of the tax payable for the year of assessment 2024/25 subject to a maximum reduction of HK\$1,500 for each business (2024: a maximum reduction of HK\$3,000).

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 2025 and 2024. In November 2025, Brazil enacted Law 15,270/2025, under which dividend to non-resident investors shall be generally subject to withholding tax of 10% starting from 31 January 2026. Accordingly, withholding tax was provided for Group's portion of the undistributed profits of subsidiaries in Brazil, to the extent they are expected to be distributed in the foreseeable future, at tax rate of 10%.

As disclosed in note 7(c), the Group is also liable to Pillar Two income taxes.

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit before taxation	<u>1,281,822</u>	<u>1,115,524</u>
Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned	245,245	214,054
Tax effect of non-deductible expenses	803	16,824
Tax effect of non-taxable income	(29,619)	(24,478)
Tax effect of unused tax loss not recognised	2,760	5,568
Current income tax impact arising from Pillar Two model rules (note 7(c))	8,785	–
Withholding tax on undistributed profits	6,780	–
Others	<u>(77)</u>	<u>754</u>
	<u><u>234,677</u></u>	<u><u>212,722</u></u>

The Group has not recognised deferred tax assets in respect of tax loss of approximately HK\$60,048,000 (2024: approximately HK\$51,930,000) 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. The Group has also not recognised deferred tax liabilities on certain undistributed profits of subsidiaries in Brazil as they are not expected to be distributed in the foreseeable future.

(c) **Pillar Two income taxes**

The Group is part of a multinational enterprise group which is subject to the Global Anti-Base Erosion Model Rules (“**Pillar Two model rules**”) published by the Organisation for Economic Co-operation and Development.

From 1 January 2025, the Group is liable to Pillar Two income taxes in Hong Kong and Brazil with the relevant legislations becoming effective.

The Group has applied the temporary mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes and accounted for the tax as current tax when incurred.

(d) Tax payable/(recoverable) in the consolidated statement of financial position represents:

	2025 HK\$'000	2024 HK\$'000
<b>Current</b>		
Provision for Hong Kong Profits Tax for the year	162,763	126,350
Provisional Hong Kong Profits Tax paid	<u>(126,088)</u>	<u>(101,141)</u>
	36,675	25,209
Balance of Hong Kong Profit Tax provision relating to prior years	<u>(1,412)</u>	<u>(1,677)</u>
	35,263	23,532
<b>Non-Current</b>		
Provision for Pillar Two income taxes (note 7(c))	<u>8,785</u>	<u>–</u>
	44,048	23,532
Balance of profit tax in Hong Kong	44,048	23,532
Balance of tax in Brazil	<u>(29,311)</u>	<u>(33,380)</u>
	14,737	(9,848)
Represented by:		
– Current tax recoverable	(29,311)	(33,380)
– Current tax payable	35,263	23,532
– Pillar Two tax liabilities	<u>8,785</u>	<u>–</u>
	<u>14,737</u>	<u>(9,848)</u>

(e) 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:

	Unrealised profits HK\$'000	Fair value adjustments in relation to business combination HK\$'000	Others HK\$'000	Total HK\$'000
Deferred tax arising from				
As at 1 January 2024	(25,080)	46,953	(55,607)	(33,734)
Charged/(credited) to profit or loss (note 7(a))	<u>9,334</u>	<u>(12,093)</u>	<u>89,131</u>	<u>86,372</u>
As at 31 December 2024 and 1 January 2025	(15,746)	34,860	33,524	52,638
Credited to profit or loss (note 7(a))	<u>(8,141)</u>	<u>(10,692)</u>	<u>(74,609)</u>	<u>(93,442)</u>
As at 31 December 2025	<u>(23,887)</u>	<u>24,168</u>	<u>(41,085)</u>	<u>(40,804)</u>

(ii) *Reconciliation to the consolidated statement of financial position*

	2025 HK\$'000	2024 HK\$'000
Net deferred tax assets in the consolidated statement of financial position	64,972	15,746
Net deferred tax liabilities in the consolidated statement of financial position	<u>(24,168)</u>	<u>(68,384)</u>
	<u><u>40,804</u></u>	<u><u>(52,638)</u></u>

**8 DIVIDENDS**

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

	2025 \$'000	2024 \$'000
Interim dividend declared and paid of HK19 cents per ordinary share (2024: HK15 cents)	131,419	103,752
Final dividend proposed after the end of the reporting period of HK33 cents per ordinary share (2024: HK31 cents per ordinary share)	<u>231,285</u>	<u>214,421</u>
	<u><u>362,704</u></u>	<u><u>318,173</u></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**

	2025 \$'000	2024 \$'000
Final dividend in respect of the previous financial year, approved and paid during the year, of HK31 cents per share (2024: HK32 cents per share)	<u>214,421</u>	<u>221,338</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\$980,285,000 (2024: approximately HK\$853,735,000) and the weighted average of 691,680,000 ordinary shares in issue during the year ended 31 December 2025 (2024: 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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	675,813	610,985
Bills receivable	11,306	127,855
	<u>687,119</u>	<u>738,840</u>
Deposits, prepayments and other receivables	131,258	101,912
Advances to producers	254,931	201,438
VAT recoverable	53,112	50,415
	<u>1,126,420</u>	<u>1,092,605</u>
Represented by:		
– Current portion	1,087,677	1,055,593
– Non-current portion	38,743	37,012
	<u>1,126,420</u>	<u>1,092,605</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:

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 30 days	<b>480,650</b>	71,136
31 to 90 days	<b>141,474</b>	401,163
Over 90 days	<b>64,995</b>	266,541
	<u><b>687,119</b></u>	<u>738,840</u>

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

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Not past due	<b>604,948</b>	701,531
Past due 1 to 30 days	<b>40,676</b>	2,037
Past due 31 to 90 days	<b>34,085</b>	35,122
Past due over 90 days	<b>7,410</b>	150
	<u><b>687,119</b></u>	<u>738,840</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 AND CONTRACT LIABILITIES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables	2,117,477	3,419,802
Dividends payables to non-controlling interests	19,854	23,837
Other payables and accruals	<u>65,022</u>	<u>81,154</u>
Financial liabilities measured at amortised cost	2,202,353	3,524,793
Contract liabilities	<u>31,536</u>	<u>28,665</u>
	<u><b>2,233,889</b></u>	<u><b>3,553,458</b></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:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 30 days	1,118,050	2,192,797
31 to 90 days	917,796	1,040,799
Over 90 days	<u>81,631</u>	<u>186,206</u>
	<u><b>2,117,477</b></u>	<u><b>3,419,802</b></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 2025 and 2024, 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 2025 and 2024, management believes such quality claims will not have a material adverse effect on the financial performance of the Group.

## MANAGEMENT DISCUSSION AND ANALYSIS

In 2025, the Group adhered to the development philosophy of “respecting the market, respecting the rules, and respecting the investors”, and promoted the high-quality development of international business in greater depth, continuously enhanced profitability, and further optimized corporate governance. The Group achieved solid year-on-year growth in overall performance and effectively realized the coordinated growth of market capitalization and shareholder returns. For the year, the Group realized a cumulative operating revenue of HK\$14.58 billion, representing a year-on-year increase of 11.5%; and realized the profit for the year attributable to equity shareholders of the Company of HK\$980 million, up by 14.8% 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 closely monitored international trade developments, actively communicated with domestic users and imported tobacco leaf suppliers, properly addressed trade risks to secure the timely and orderly arrival of imported tobacco leaves. We strengthened collaboration with our subsidiaries, intensified efforts to expand the raw tobacco market, and effectively met domestic users’ demand for high-quality tobacco leaves. We have added new sourcing countries and channels for cigar tobacco leaf raw materials in Central and South America, improved the diversity of high-quality cigar tobacco leaf raw materials, supported the high-quality development of the domestic cigar industry, and enhanced supply chain resilience and core support capabilities.
- In terms of Tobacco Leaf Products Export Business, we closely tracked changes in international market supply and demand, increased the supply of goods to core customers, and stabilized business profitability. We signed long-term supply agreements with core customers and domestic suppliers, provided customized services oriented towards customer needs, continuously expanded the supply categories of domestic specialty tobacco leaves, and continuously improved the order fulfillment rate of key customers. We promoted cooperation with large multinational cigarette manufacturers to achieve direct trade with key multinational cigarette manufacturers. Relying on the channel resources of cigarettes and new tobacco products, we participated in international tobacco exhibitions and continued to expand markets outside our exclusive operating regions. We deepened the linkage and potential tapping of subsidiaries, optimized the organization of multinational sources, and effectively met customer needs.
- In terms of Cigarettes Export Business, we adhered to proprietary business as our core operating orientation, strengthened collaboration with both suppliers and duty-free retailers, and continuously consolidated our market foundation. Through multiple measures, we continuously enhanced our bargaining power over the duty-free channel products and strengthened targeted marketing efforts, resulting in a significant increase in the proportion of proprietary business. We further optimized our brand portfolio and business structure, increased brand promotion efforts, and enhanced brand influence. Exclusive distribution agreements were signed with four industry enterprises, China Tobacco Sichuan Industrial Co., Ltd\* (四川中煙工業有限責任公司), China Tobacco Hubei Industrial Co., Ltd\* (湖北中煙工業有限責任公司), China Tobacco Shandong Industrial Co., Ltd\* (山東中煙工業有限責任公司), and China Tobacco Anhui Industrial Co., Ltd\* (安徽中煙工業有限責任公司), establishing a unified distribution platform for international business of the Chinese cigars. This initiative accelerates the high-quality development of the international operations of Chinese cigars, resulting in substantial growth in the duty-paid market of the cigar business.

- In terms of New Tobacco Products Export Business, we actively responded to challenges arising from changes in regulatory policies in target markets, and worked to mitigate adverse impacts caused by changes in the international supply chain due to geopolitical conflicts. We guided suppliers to accelerate product iteration innovation, technological R&D, and improvements in manufacturing equipment. At the same time, we continued to strengthen overseas intellectual property protection to address impacts brought by adjustments in regulatory policies and product registration requirements.
- In terms of Brazil Operations Business, we continued to optimize production-area deployments, expanded procurement regions, and achieved sustained growth in raw tobacco acquisition scale, enhancing the capacity to ensure tobacco leaf quality. We improved our international marketing capabilities, achieved sales breakthroughs in regional markets such as Europe and Asia, witnessed a continuous expansion of the customer base. We further enhanced CBT's ESG governance effectiveness and strengthened supply cooperation with multinational tobacco companies.
- In terms of operational management, we adhered to the principle of exerting strategic guidance, proactively formulated the Company's development plans, enhanced our market research capabilities, and actively advanced target screening for investment and mergers and acquisitions; we leveraged the integration of business and finance to build a unified operational management platform for the Group. This strengthened the development of digital information systems and enhanced operational efficiency. We continuously enhanced financial management capabilities, rationally controlled operating costs, and improved capital operation efficiency and profitability. We continuously strengthened system development, optimized internal control management, and refined risk prevention and control mechanisms to ensure the Group's high-quality development; We strengthened the communication with our investors and conducted international roadshows to better serve investors.
- In terms of human resource management, we adhered to the principles of "market-oriented, professional, and international", focused on core business and market expansion functions, and expanded the talent pool. We have established accelerated promotion channels for core talents to stimulate endogenous organizational vitality and the creativity of all employees through institutional innovation. Furthermore, we have deepened the one-on-one mentorship program and built a multi-dimensional training system, empowering the team to advance towards international standards. Upholding the "people-oriented" philosophy, we meticulously implemented employee care initiatives to continuously enhance team cohesion and a sense of belonging, thereby consolidating a strong synergy to drive the Group's sustainable development.
- In terms of sustainability management, we established the "GROW" sustainability strategy and implemented two major action plans, "Green Pulsation Programs" and "Together Moving Forward Programs". We constructed an ESG development index system and formed a self-assessment mechanism for ESG outcomes. By strengthening the integration of sustainable development across subsidiaries and enhancing the quality of information disclosure, the Group's sustainability performance has repeatedly received high recognition, and its international ratings have been continuously upgraded.

## **BUSINESS OPERATION REVIEW**

### **Core Businesses**

#### ***Tobacco Leaf Products Import Business***

For the year ended 31 December 2025, the import volume of tobacco leaf products of the Group reached 110,827 tons, representing a decrease of 1,153 tons or 1.0% on a year-on-year basis. The operating revenue reached HK\$9,538.2 million, representing an increase of HK\$1,283.9 million or 15.6% on a year-on-year basis. The gross profit reached HK\$772.1 million, representing a decrease of HK\$53.5 million or 6.5% on a year-on-year basis. The increase in revenue was mainly due to a higher overall unit sale price of tobacco leaf products during the year compared with last year. The decrease in gross profit was primarily due to the impact of supply and demand conditions, as the increase in the cost of tobacco leaves procured from CBT during the year exceeded the increase in unit sale price.

#### ***Tobacco Leaf Products Export Business***

For the year ended 31 December 2025, the export volume of tobacco leaf products of the Group reached 86,054 tons, representing an increase of 2,586 tons or 3.1% on a year-on-year basis. The operating revenue reached HK\$2,481.4 million, representing an increase of HK\$419.9 million or 20.4% on a year-on-year basis. The gross profit reached HK\$156.6 million, representing an increase of HK\$72.8 million or 86.8% on a year-on-year basis. The substantial increase in the results was mainly attributable to: (1) accurately capturing market supply-demand dynamics, anchoring on customers' actual needs, and improving customized services and pricing strategies, leading to the growth in the profitability of the Tobacco Leaf Products Export Business; and (2) strengthening coordination with key domestic suppliers and expanding supply channels, which steadily enhanced supply capacity and resulted in a recorded year-on-year increase in the export volume of tobacco leaf products.

#### ***Cigarettes Export Business***

For the year ended 31 December 2025, the export volume of cigarettes of the Group reached 3,228,031 thousand sticks, representing a decrease of 111,669 thousand sticks or 3.3% on a year-on-year basis. The operating revenue reached HK\$1,666.3 million, representing an increase of HK\$92.6 million or 5.9% on a year-on-year basis. The gross profit reached HK\$380.5 million, representing an increase of HK\$103.1 million or 37.2% on a year-on-year basis. The slight decline in sales volume was mainly affected by shipment timing during the year, while the growth in revenue and gross profit was primarily driven by the Group's continued efforts to strengthen proprietary channel expansion, continuously optimize product specifications and business structure, and the precise alignment with market supply and demand conditions. The scale of the proprietary business continued to expand, which effectively enhanced the profitability of the cigarettes business.

### ***New Tobacco Products Export Business***

For the year ended 31 December 2025, the export volume of new tobacco products of the Group reached 372,150 thousand sticks, representing a decrease of 389,760 thousand sticks or 51.2% on a year-on-year basis. The operating revenue reached HK\$64.3 million, representing a decrease of HK\$70.9 million or 52.5% on a year-on-year basis. The gross profit reached HK\$3.4 million, representing a decrease of HK\$3.6 million or 51.5% on a year-on-year basis. The significant decline in results was mainly due to: (1) geopolitical conflicts and changes in target market regulatory policies have adversely impacted supply chains, leading to reduced shipments in key markets; and (2) the upgrading of production and manufacturing equipment by suppliers, gradually phasing out and iterating on old products, which has slowed down the pace of new product registration.

### ***Brazil Operation Business***

For the year ended 31 December 2025, the export volume of tobacco leaf products to areas outside China from CBT, a non-wholly-owned subsidiary of CTIB, reached 30,295 tons, representing a decrease of 1,332 tons or 4.2% on a year-on-year basis. The operating revenue reached HK\$828.9 million, representing a decrease of HK\$220.7 million or 21.0% on a year-on-year basis. The gross profit was HK\$160.5 million, representing a decrease of HK\$23.3 million or 12.7% on a year-on-year basis. The decrease in sales volume on a year-on-year basis was mainly due to timing of shipment. The decrease in the revenue on a year-on-year basis was mainly driven by market conditions, with selling price of tobacco leaf products declining year-on-year. The smaller decline in gross profit than revenue was primarily due to the increased proportion of tobacco leaf by-products with higher gross profit margin in the gross profit mix.

### **PROSPECTS FOR 2026**

Looking ahead to 2026, the Group will pursue the vision of building a world-class tobacco enterprise with international competitiveness. Guided by our three core principles of respect, we will remain committed to the high-quality development of our international business, continuously driving new improvements in operational quality, new breakthroughs in business development, and new enhancements in governance capabilities, thereby delivering long-term and sustainable growth in Shareholder returns. To this end, the Group will focus on the following key development directions:

- Building upon the solid foundation laid during the “14th Five-Year Plan” period, and as the “15th Five-Year Plan” commences, the Group will leverage its core positioning as an international market expansion platform and an investment and financing platform. With a dual-driven approach combining organic growth and external expansion, we will enhance our global deployment, promote coordinated development across the entire industry chain, actively respond to industry changes, and capture new development opportunities.

- Strengthen upstream and downstream supply chain collaboration to ensure the stable supply and quality enhancement of high-quality and cost-effective imported tobacco leaves; monitor international market trends closely and adjust procurement and sales strategies dynamically; expand the global sales network, and strengthen cooperation models with large multinational cigarette manufacturers and comprehensively expand sales channels to broaden the customer base; enrich product categories in tobacco leaf supply, enhance participation depth across the supply chain, improve resource and market allocation capabilities, and build a diversified “multi-source + multi-market” procurement and supply system.
- Continue to focus on enhancing the profitability of the cigarettes business, strengthen insights into market trends, and accurately capture changes in consumer demand; increase coordination with suppliers and duty-free retailers, enhance the effectiveness of resource integration and enhance brand influence; continuously optimize brand portfolio and product specification portfolio to drive steady profit growth; intensify efforts in cultivating Chinese cigar products, actively expand market regions, and build new engines for business growth.
- Actively respond to the international supply chain changes arising from geopolitical conflicts and regulatory policy changes, continuously strengthen cooperation across production and sales, and improve supply chain efficiency; continue to drive innovation and R&D for new tobacco products and accelerate product iteration; focus on key markets, increase brand promotion efforts, and further elevate brand influence; continuously enrich the product line and enhance business development momentum.
- Continuously optimize the sustainable development system and enhance the effectiveness of integrated management for subsidiaries; implement green development principles and explore the establishment of a carbon reduction target roadmap; actively fulfill corporate social responsibilities and consistently increase investment in social resources; strengthen sustainable supply chain management, and build an efficient, collaborative, resilient, and secure industrial chain coordination mechanism; deepen people-centered initiatives, cultivate talent ecosystems, and stimulate the organization’s intrinsic momentum.
- Continuously deepen the development of back-office functional strategic support capabilities, leveraging digital and information platforms to comprehensively enhance the integrated governance effectiveness of human resources, internal control mechanisms, and corporate culture; establish a full life cycle talent management system, standardize processes such as recruitment, training, and performance evaluation, and foster an endogenous driving force that aligns talent development with business strategy; instill and implement the Company’s core values, integrate sustainable development practices into corporate culture, and build a solid talent foundation for the Group’s high-quality and sustainable international business development.

## FINANCIAL REVIEW

### Revenue, Cost of Sales and Gross Profit

For the year ended 31 December 2025, the Group's revenue increased by 11.5% to HK\$14,579.1 million (2024: HK\$13,074.2 million) as compared with the same period in 2024, cost of sales increased by 12.0% to HK\$13,105.9 million (2024: HK\$11,696.6 million) as compared with the same period in 2024, and gross profit increased by 6.9% to HK\$1,473.1 million (2024: HK\$1,377.6 million) as compared with the same period in 2024. The increase in the overall financial performance of the Group was mainly driven by the growth in the Tobacco Leaf Products Export Business and the Cigarettes Export Business.

### Other Income, Net

For the year ended 31 December 2025, the Group's other income, net increased by 30.7% to HK\$157.3 million (2024: HK\$120.4 million other income, net) as compared with the same period in 2024, which was mainly due to the increase in interest income driven by the expansion of short-term bank deposits.

### Administrative and Other Operating Expenses

For the year ended 31 December 2025, the Group's administrative and other operating expenses increased by 8.8% to HK\$172.3 million (2024: HK\$158.4 million) as compared with the same period in 2024, which included staff costs of HK\$73.6 million, depreciation and amortisation of HK\$44.8 million, and professional fees of HK\$7.6 million. The increase in administrative and other operating expenses was mainly due to higher marketing support-related expenses and an increase in staff costs arising from the expansion of business activities.

### Finance Costs

For the year ended 31 December 2025, the Group's finance costs decreased by 21.3% to HK\$176.3 million (2024: HK\$224.1 million) as compared with the same period in 2024, which were primarily interest on bank borrowings and other finance costs. The significant decrease in finance costs was mainly due to the decrease in both the balance and the interest rates of bank borrowings of CBT.

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

For the year ended 31 December 2025, profit for the year attributable to equity shareholders of the Company increased by 14.8% to HK\$980.3 million (2024: HK\$853.7 million) as compared with the same period in 2024. The Group's profit for the year increased by 16.0% to HK\$1,047.1 million (2024: HK\$902.8 million) as compared with the same period in 2024. The year-on-year increase in profit 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 Export Business, and the decrease in finance costs.

## **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\$980.3 million (2024: HK\$853.7 million) and the weighted average of 691,680,000 ordinary shares (2024: 691,680,000 shares) in issue during the year ended 31 December 2025. For the year ended 31 December 2025, the Group's earnings per share were HK\$1.42 (for the year ended 31 December 2024: HK\$1.23).

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 2025, net current assets of the Group amounted to HK\$3,438.4 million (as at 31 December 2024: HK\$2,837.8 million).

## **Significant Investments**

During the year ended 31 December 2025, 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 2025.

## **Capital Expenditures**

Save as disclosed in this results announcement, at 31 December 2025, the Group had no plan relating to material investments and capital assets.

## **INDEBTEDNESS**

### **Borrowings**

As at 31 December 2025, all of the bank borrowings were unsecured, carried at amortised cost and expected to be settled within one year. All of the bank borrowings bore fixed interest and the weighted average interest rate was 6.60% per annum (as at 31 December 2024: 7.76%).

### **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 2025, the Group had no significant contingent liabilities (as at 31 December 2024: nil).

## **Pledge of Assets**

As at 31 December 2025, the Group did not pledge any assets (as at 31 December 2024: nil).

## **Liquidity, Financial Resources and Gearing Ratio**

As at 31 December 2025, total assets of the Group amounted to HK\$8,973.4 million (as at 31 December 2024: HK\$9,816.7 million) and cash and cash equivalents and short-term bank deposits amounted to HK\$3,312.7 million (as at 31 December 2024: HK\$2,857.6 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 2025, total liabilities of the Group amounted to HK\$5,126.9 million (as at 31 December 2024: HK\$6,629.4 million).

As at 31 December 2025, the Group had a gearing ratio (being borrowings and lease liabilities divided by total equity) of 0.73 (as at 31 December 2024: 0.94). As at 31 December 2025, the Group had a current ratio (being current assets divided by current liabilities) of 1.68 (as at 31 December 2024: 1.43).

## **EMPLOYEES**

As at 31 December 2025, the Group had 73 employees (as at 31 December 2024: 53) in Hong Kong, representing an increase of 20 employees on a year-on-year basis; and had 384 employees (including seasonal workers) (as at 31 December 2024: 342 (including seasonal workers)) in Brazil, representing an increase of 42 employees on a year-on-year basis. For the year ended 31 December 2025, the staff cost incurred by the Group amounted to HK\$125.3 million (2024: HK\$107.3 million).

The Group has established a full lifecycle talent management system centered on employee value realization and belonging cultivation, aiming to build an employer of choice status with global competitiveness. Annually benchmarked against salary trends in key labor markets (e.g., Hong Kong and Brazil), the Group conducts rigorous compensation reviews that integrate factors such as years of service, domain expertise, and performance appraisals, ensuring market-leading competitiveness while aligning individual performance with business outcomes through differentiated incentive frameworks. This dual focus on performance-driven rewards and strategic talent alignment fosters a high-performance culture. Complementing this approach, the Group enhances employee well-being through structured career advancement pathways, optimization of benefits programs, such as health care, work-life balance initiatives, and transparent promotion systems, thereby elevating satisfaction and reinforcing organizational cohesion.

## 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 27 June 2025 in relation to update on expected timeline for use of proceeds.

The use of Net Proceeds during the year from the Listing Date up to 31 December 2025 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 2025 (HK\$ million)	Expected timeline
			Unutilised amount as at 1 January 2025 (HK\$ million)	utilised during the year ended 31 December 2025 (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 2027.
Supporting the ongoing growth of the Group's business	20%	180.8	165.1	7.5	157.6	Remainder to be utilised by 30 June 2027.
Strategic business cooperation with other international tobacco companies, including to jointly explore and develop emerging tobacco markets	20%	180.8	178.6	1.5	177.1	Remainder to be utilised by 30 June 2027.
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	4.5	4.5	–	Not Applicable.
<b>Total</b>	<b>100%</b>	<b>904.0</b>	<b>429.6</b>	<b>13.5</b>	<b>416.1</b>	

*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 2025, 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\$0.33 per Share for the year ended 31 December 2025 (2024: HK\$0.31 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\$231,285,000.

For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Thursday, 4 June 2026 to Tuesday, 9 June 2026, 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, 3 June 2026. The final dividend is expected to be paid on or about Friday, 26 June 2026 to the Shareholders whose names appear on the register of members of the Company on Tuesday, 9 June 2026.

## **OTHER INFORMATION**

### **Annual General Meeting**

The AGM will be held on Friday, 29 May 2026. 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 Tuesday, 26 May 2026 to Friday, 29 May 2026, 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, 22 May 2026.

## **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 2025, 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 2025.

## **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 2025.

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

During the year ended 31 December 2025, 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 2025. 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 2025.

## **SCOPE OF WORK OF INDEPENDENT AUDITOR**

The financial figures in this announcement of the Group's results for the year ended 31 December 2025 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 2025 that is required to be disclosed by the Company.

## **PUBLICATION OF 2025 ANNUAL RESULTS AND 2025 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 2025 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, Macau 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;

“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 2025;
“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;
“Taiwan”	The Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu;
“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, 5 March 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.*