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China Boton Group Company Limited 中國波頓集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3318)

INSIDE INFORMATION LEGAL PROCEEDINGS

This announcement is made by China Boton Group Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

In 2016, Mr. Liu Qiuming (劉秋明) (“**Mr. Liu**”) as lender and the Company as borrower entered into a loan agreement pursuant to which the Company borrowed RMB50.5 million (the “**Loan**”) from Mr. Liu. Subsequently, the parties entered into a memorandum pursuant to which the parties agreed, inter alia, that the Loan could be settled by the shares of Kimree Inc. in lieu of cash.

In 2019, the parties had dispute in relation to the settlement method of the Loan. In 2020, Mr. Liu initiated legal proceedings against the Company for the repayment of the Loan in cash. The Shenzhen Intermediate People’s Court of Guangdong Province* (廣東省深圳市中級人民法院) ruled in favour of Mr. Liu and the Company made an appeal in 2021. The Higher People’s Court of Guangdong Province* (廣東省高級人民法院) dismissed the Company’s appeal and the Company received the judgement in early September 2022. Based on the verdict, the Company was ordered to pay the amount of Loan, default penalty and legal cost, amounting to RMB126.8 million approximately as at the date of this announcement.

The Company has been seeking legal advice since the receipt of the judgement. As advised by the legal adviser as to the laws of the People’s Republic of China, the Company will pay the amount as required under the judgement. Meanwhile, the Company is still obtaining legal advice in relation to any recourse available to the Company.

The board of directors of the Company (the “**Board**”) is of the view that the amount payable under the judgement does not have material adverse impact on the financial position of the Group.

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

By order of the Board
China Boton Group Company Limited
WANG Ming Fan
Chairman

Hong Kong, 30 September 2022

As at the date of this announcement, the executive directors are Mr. Wang Ming Fan, Mr. Li Qing Long and Mr. Yang Ying Chun. The independent non-executive directors are Mr. Ng Kwun Wan, Mr. Leung Wai Man, Roger, and Mr. Zhou Xiao Xiong.

** For identification purpose only*