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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)

VERY SUBSTANTIAL DISPOSAL
LAND RESUMPTION
AND
RESUMPTION OF TRADING

LAND RESUMPTION

Reference is made to the Company's announcement dated 17 April 2024 in relation to the Land Resumption. The Board announces that on 7 December 2025, Shenzhen Boton, an indirect wholly- owned subsidiary of the Company, entered into the Land Resumption Agreement with the Local Authority pursuant to which Shenzhen Boton shall surrender the Proposed Land and its land use rights to the Local Authority in return for a cash Compensation of RMB2,271,913,552 (equivalent to approximately HK$2,495,015,463).

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Land Resumption exceed 75%, the Land Resumption constitutes a very substantial disposal for the Company and is therefore subject to the notification, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Pursuant to the Listing Rules, any Shareholder who has a material interest in the Land Resumption and his/her/its close associates will abstain from voting on the relevant resolutions at the EGM. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Shareholders has any material interest in the Land Resumption as contemplated under the Land Resumption Agreement and therefore none of the Shareholders and their associates would be required to abstain from voting on the ordinary resolution to approve the Land Resumption Agreement and the transactions contemplated thereunder at the EGM.

GENERAL

A circular, containing, among other things (i) further information in relation to the Land Resumption Agreement and the transactions contemplated thereunder; (ii) an independent valuation report in relation to the Proposed Land; (iii) the notice convening the EGM; and (iv) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 2 January 2026 in accordance with the Listing Rules, so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 8 December 2025, pending the publication of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 10 December 2025.

Reference is made to the Company's announcement dated 17 April 2024 in relation to the Land Resumption. On 7 December 2025, Shenzhen Boton, an indirect wholly-owned subsidiary of the Company, entered into the Land Resumption Agreement with the Local Authority pursuant to which Shenzhen Boton shall surrender the Proposed Land and its land use rights to the Local Authority in return for a cash Compensation of RMB2,271,913,552 (equivalent to approximately HK$2,495,015,463).

LAND RESUMPTION AGREEMENT

The principal terms of the Land Resumption Agreement are set out below:

Date

7 December 2025

Parties

(1) Shenzhen Boton

(2) The Local Authority

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Local Authority and its ultimate beneficial owner are Independent Third Parties.

Proposed Land

The Proposed Land is a parcel of land with an aggregate site area of approximately 64,662.42 sq.m. located at Le Li Road, Nanshan District, Shenzhen, Guangdong Province, the PRC. The Proposed Land is part and parcel of the land lot (lot number T505-0059) that Shenzhen Boton owns with an aggregate site area of 80,167.47 sq.m.. The headquarter of the Group and the Proposed Land are located in the said land lot.

The Proposed Land comprises the portions below:

(i) certain buildings and structures in the total gross floor area of 8,579.44 sq.m., the land use rights of which have been granted;

(ii) certain buildings and structures not specified in the land use rights granting agreement of the Proposed Land or its supplemental agreement with a total gross floor area of 2,503.23 sq.m.; and

(iii) the remaining portion of the land with a total gross floor area of approximately 128,657.09 sq.m., for which the land use rights have been granted but no building or structure has yet been constructed.

Pursuant to the terms and conditions of the Land Resumption Agreement, Shenzhen Boton shall (a) surrender the land use rights of the Proposed Land and procure the amendment of the land use rights granting agreement of the Proposed Land (including the relevant supplemental agreement) with the Nanshan Administration Bureau of the Shenzhen Municipal Planning and Natural Resources Bureau (深圳市規劃和自然資源局南山管理局); and (b) arrange for the de-registration of the land title certificate of the Proposed Land under its name.

Compensation and payment terms

Pursuant to the Land Resumption Agreement, the total Compensation payable to Shenzhen Boton for the Land Resumption is RMB2,271,913,552 (equivalent to approximately HK$2,495,015,463), which shall be payable in cash by the Local Authority to Shenzhen Boton by instalments into the jointly managed bank account of both Parties in the following manner:

(a) as to the amount of RMB1,135,956,776 (equivalent to approximately HK$1,247,507,731) within 40 working days after the Land Resumption Agreement becoming effective;

(b) as to the amount of RMB681,574,065.6 (equivalent to approximately HK$748,504,639) within 40 working days after the vacation of the Proposed Land by Shenzhen Boton; and

(c) as to the remaining amount of RMB454,382,710.4 (equivalent to approximately HK$499,003,093) within 40 working days after the completion of deregistration of the land title and amendment of the land use rights granting agreement of the Proposed Land with Shenzhen Municipal Planning and Natural Resources Bureau (including entering into relevant supplemental agreement). However, if, through no fault of Shenzhen Boton, the deregistration and amendment have not been completed within 40 working days after Shenzhen Boton vacates the Proposed Land, the relevant amount shall become payable within 60 working days following such vacation and the delivery of a notarized power of attorney by Shenzhen Boton.

(d) if the Proposed Land can be delivered early, an early completion bonus in the amount of RMB222,472,334 (equivalent to approximately HK$244,319,117) shall be paid within 40 working days after Shenzhen Boton vacates and delivers the Proposed Land and its land use rights as scheduled.

The Compensation was determined after arm's length negotiation between Shenzhen Boton and the Local Authority with reference to the laws, regulations and procedures appliable to resumption of state-owned lands in Nanshan District, Shenzhen, Guangdong Province, the PRC and the valuation report in respect of the Proposed Land conducted by an independent valuer which has preliminarily assessed the value of the Proposed Land in the approximate amount of RMB155,000,000 as at 30 November 2025.

The Directors consider that the terms of the Land Resumption Agreement (including the amount of the Compensation) are fair, reasonable and in the interest of the Company and the Shareholders as a whole.

Condition precedent

The Land Resumption Agreement shall take effect upon signing and affixing of seals by both Parties. Shenzhen Boton shall procure the Company to convene a general meeting within 45 days after the date of signing to approve the Land Resumption Agreement and the transactions contemplated thereunder. However, if, due to regulatory procedures applicable to listed companies or other objective reasons, the Company is unable to convene the general meeting within the aforesaid period, the Local Authority shall understand and shall not hold Shenzhen Boton liable. If the Company fails to convene the general meeting within such period or the relevant resolution is not passed, the Land Resumption Agreement shall lapse upon expiry of such period and neither Party shall have any further obligations thereunder.

A jointly managed bank account shall be established after signing, into which the Local Authority will deposit the Compensation in accordance with the Land Resumption Agreement. If the relevant resolution is not passed within the aforesaid period, Shenzhen Boton shall return the Compensation together with any accrued statutory interest in full. If the resolution is passed by the Shareholders, Shenzhen Boton shall, within two days after the general meeting, notify the Local Authority in writing and provide the relevant proof, after which the Compensation will be released.

REASONS FOR AND BENEFITS OF THE LAND RESUMPTION

The Company is principally engaged in manufacturing, trading and selling of extracts, flavors and fragrances. It also engaged in design and manufacturing of high-quality electronic cigarettes and the related products as well.

In September 2023, Shenzhen Boton had received a letter from the local government of Nanshan District notifying a land preparation project for the Xili high-speed rail hub and related projects (the "**Xili Project**"), and planned to resume the Proposed Land on the grounds of public interest. Then Shenzhen Boton had started immediate negotiation and discussion with the government officers of the Xili Project to seek further information, including: background materials for the Xili High-speed Rail hub and related works on land preparation project, construction plan, compensation plan and the relevant schematic diagrams and maps, etc.

It was advised that the Xili Project was an important transportation project and also a transformative infrastructure project of Shenzhen city together with new residential and commercial construction and community area, social facilities and utilities. The Proposed Land would have significant contribution towards the Xili Project in the economy and urban development for the benefit of the country and the community.

During these years and up to the date of this announcement, the Group has already established various factories in other major cities in the PRC, such as Huizhou, Dongguan, Fuzhou and Hubei Xiantao and also have a factory in Indonesia. There is no production line of the Group's business segments maintained on the Proposed Land. Accordingly, the Board is of the view that the Land Resumption will not have any material adverse effect on the Group's operation and principal business activities.

Further, the amount of Compensation is at a premium to the independent valuation of the Proposed Land. The Company will make a gain from the Compensation, which will enhance the working capital for the Group.

Taking into account of the above, the Directors (including the independent non-executive Directors) consider that the terms of the Land Resumption Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Financial effects of the Land Resumption

Based on the latest audited financial statements as at 31 December 2024, the net book value of the Proposed Land was approximately RMB113,719,015 (equivalent to approximately HK$124,886,222). On account of the Compensation of RMB2,271,913,552 (equivalent to approximately HK$2,495,015,463) and assuming that the early completion bonus of RMB222,472,334 (equivalent to approximately HK$244,319,117) shall be payable, the Company is expected to record an unaudited gain before tax from the Land Resumption of approximately RMB2,380,666,871 (equivalent to approximately HK$2,614,448,358). The actual amount of the gain from the Land Resumption to be recorded by the Group is subject to audit and will take into account any costs and expenses incurred relating to the Land Resumption, and accordingly, it may be different from the amount stated above.

Proposed use of proceeds

The net proceeds (after deducting the relevant PRC enterprise income tax and professional fees payable and assuming that the early completion bonus of RMB222,472,334 (equivalent to approximately HK$244,319,117) shall be payable) arising from the Land Resumption will be approximately RMB1,768,446,850 (equivalent to approximately HK$1,942,108,331).

The Company plans to use the net proceeds in the following manner:

(i) approximately RMB1,250,000,000 (equivalent to approximately HK$1,372,750,000) will be used to repay the bank borrowings of the Group; and

(ii) the balance of approximately RMB518,446,850 (equivalent to approximately HK$569,358,331) will be used for the Group's general working capital.

INFORMATION OF THE PARTIES TO THE LAND RESUMPTION AGREEMENT

Shenzhen Boton is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. Shenzhen Boton is principally engaged in manufacturing, trading and selling of tailor made flavors enhancers and tobacco fragrance products to major customers in the PRC and overseas.

The Local Authority is a PRC government authority entrusted by the local government of Nanshan District, Shenzhen City, Guangdong Province, the PRC to be responsible for, among others, the implementation of the Land Resumption.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Land Resumption exceed 75%, the Land Resumption constitutes a very substantial disposal for the Company and is therefore subject to the notification, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Pursuant to the Listing Rules, any Shareholder who has a material interest in the Land Resumption and his/her/its close associates will abstain from voting on the relevant resolutions at the EGM. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Shareholders has any material interest in the Land Resumption as contemplated under the Land Resumption Agreement and therefore none of the Shareholders and their associates would be required to abstain from voting on the ordinary resolution to approve the Land Resumption Agreement and the transactions contemplated thereunder at the EGM.

GENERAL

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RESUMPTION OF TRADING

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DEFINITIONS

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

"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Company"	China Boton Group Company Limited (中國波頓集團有限公司), a limited liability company incorporated in the Cayman Islands, the shares of which are listed on the Stock Exchange (stock code: 3318)

"Compensation"	the aggregate consideration by way of cash compensation for the Land Resumption, being the amount of RMB2,271,913,552 payable by the Local Authority to Shenzhen Boton pursuant to the Land Resumption Agreement
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party"	any person or company and their respective ultimate beneficial owner(s) which, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons (as defined in the Listing Rules)
"Land Resumption"	the resumption of the Proposed Land by the Local Authority pursuant to the terms and conditions of the Land Resumption Agreement
"Land Resumption Agreement"	the agreement dated 7 December 2025 and entered into between Shenzhen Boton and the Local Authority in relation to, among others, the Land Resumption
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Local Authority"	Xili Residential District Office in Nanshan District of Shenzhen*(深圳市南山區西麗街道辦事處), being a PRC government authority entrusted by the local government of Nanshan District, Shenzhen, Guangdong Province, the PRC to be responsible for, among others, the implementation of the Land Resumption
"Parties"	the parties to the Land Resumption Agreement and "Party" means any of them
"PRC"	the People's Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

"Proposed Land"	the land located at Le Li Road, Nanshan District, Shenzhen, Guangdong Province, the PRC with an aggregate site area of approximately 64,662.42 sq.m., including all the constructions on such land, which is intended to be resumed by the Local Authority pursuant to the Land Resumption Agreement
"RMB"	Renminbi, the lawful currency of the PRC
"EGM"	the extraordinary general meeting of the Company to be convened for the Shareholders to consider, and if thought fit, approve the Land Resumption Agreement and the transactions contemplated thereunder
"Shenzhen Boton"	Shenzhen Boton Flavor & Fragrances Co., Ltd.(深圳波頓香料有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"Share(s)"	ordinary share(s) of HK$0.10 each in the issued share capital of the Company
"Shareholder(s)"	holder(s) of Shares
"sq.m."	square meter
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent.

For the purpose of this announcement, unless otherwise indicated, conversion of RMB into HK$ is calculated at the approximate exchange rate of RMB1 to HK$1.0982. This exchange rate is for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be exchanged at this or any other rate at all.

On behalf of the Board
China Boton Group Company Limited
WANG Ming Fan
Chairman

Hong Kong, 9 December 2025

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