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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)

VOLUNTARY ANNOUNCEMENT
RELATING TO
POSSIBLE ACQUISITION OF LAND USE RIGHT
IN GUANGDONG PROVINCE, THE PRC

This announcement is made by China Boton Group Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

INTRODUCTION

The board of directors of the Company (the “**Board**”) is pleased to announce that the Company and the Administrative Committee of Huizhou Zhongkai Hi-tech Industrial Development Zone* (惠州仲愷高新技術產業開發區管理委員會) (the “**Committee**”) entered into an investment agreement (the “**Investment Agreement**”) on 9 December 2022 pursuant to which, inter alia, the Company shall bid for the land use right of a piece of land located at Huizhou Zhongkai Hi-tech Industrial Development Zone, Guangdong Province, the PRC (the “**Land**”) and shall, subject to the successful bidding, construct thereon the headquarter and phase 2 of the intelligent manufacturing base of electronic vaporizer of the Group (the “**Construction Project**”).

THE INVESTMENT AGREEMENT

The principal terms of the Investment Agreement are as follows:

Date: 9 December 2022

Parties: (1) the Company
(2) the Committee

To the best knowledge, information and belief of the directors of the Company having made all reasonable enquiries, the Committee is an organisation under the municipal government of Huizhou City, Guangdong Province, the PRC, which is a third party independent from the Company and its connected persons as at the date of this announcement.

SUBJECT MATTER

The Company will, through its newly established wholly owned subsidiary (the “**Project Company**”), bid for the land use right of the Land via “listing-for-sale” procedures (掛牌出讓). The Land has an aggregate gross site area of approximately 54,533 square metres and the land use right thereof will be granted for a term of 50 years for industrial use.

The commencement of the Construction Project is subject to the successful bidding of the land use right.

The Company undertakes that the Project Company shall be recognized as a High and New Technology Enterprises* (高新技術企業) within 5 years from its date of establishment.

REASONS FOR AND BENEFITS OF THE CONSTRUCTION PROJECT AND THE ACQUISITION OF THE LAND

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

The Group intends to devote more resources on the development of electronic vaporizer to increase the return to the shareholders of the Company. The Construction Project serves to be a strategic move of the Group to expand the business in this aspect.

Further announcement(s) will be made by the Company in relation to the bidding of the land use right of the Land as and when appropriate in accordance with The Rules Governing the Listing of Securities on the Main Board of the Stock Exchange.

Shareholders and potential investors of the Company 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, 9 December 2022

* *For identification purpose only*

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.

This announcement will be published on the “Listed Company Information” page of the Stock Exchange’s website at www.hkexnews.hk and on the Company’s website at www.boton.com.hk.