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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 BUSINESS UPDATE

This announcement is made by China Boton Group Company Limited (the “**Company**“ and, together with its subsidiaries, the “**Group**“) on a voluntary basis to keep the shareholders and potential investors of the Company informed of the business development of the Group.

The board of directors of the Company (the “**Board**“) is pleased to announce that, Shenzhen Boton Flavors & Fragrances Co., Ltd. (深圳波頓香料有限公司) and Zhongxiang Aroma (Shenzhen) Co., Ltd.* (中香香料(深圳)有限公司), the wholly-owned subsidiaries of the Company have recently obtained Tobacco Monopoly Production Enterprise Licence* (煙草專賣生產企業許可證) (the “**Licence**“) from the State Tobacco Monopoly Administration* (國家煙草專賣局) in respect of e-liquids. The Group is among the few companies that have obtained the Licence.

Pursuant to the Regulation on the Implementation of the Law of the People’s Republic of China on Tobacco Monopoly* (中華人民共和國煙草專賣法實施條例) as revised as of 10 November 2021 and implemented on 26 November 2021, licence is required in respect of (a) manufacturing of tobacco products; (b) wholesale of tobacco products; (c) retail of tobacco products; (d) import and export of tobacco products business; and (e) marketing of foreign tobacco products. The Group has successfully obtained the licence for the production of e-liquid after more than six months due diligence on the compliance of the manufacturing process of e-liquid of the Group by the respective government authority. The Group has also made applications to the State Tobacco Monopoly Administration for the licences of other aforesaid areas in relation to electronic cigarette business.

With the promulgation on the law relating to Tobacco Monopoly Production Enterprise Licence, the Group will accelerate the development of electronic cigarette business to meet the electronic cigarette market expansion after the Group obtains all related licences.

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

Hong Kong, 7 July 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*