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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)

ANNUAL RESULTS **FOR THE YEAR ENDED 31 DECEMBER 2025**

RESULTS

The board of directors (the “Board” or the “Directors”) of China Boton Group Company Limited (the “Company”) approved the audited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024.

CONSOLIDATED INCOME STATEMENT

(All amounts in Renminbi thousands unless otherwise stated)

	Note	Year ended 31 December	
		2025	2024
Revenue	3	1,495,593	1,652,996
Cost of sales	4	(1,118,494)	(1,055,090)
Gross profit		377,099	597,906
Selling and marketing expenses	4	(65,770)	(48,484)
Administrative expenses	4	(369,615)	(334,671)
Impairment charge of goodwill	12	(845,405)	(67,414)
Net impairment losses on financial assets		(21,652)	(7,628)
Other income		3,821	3,402
Other (losses)/gains – net	5	(39,477)	5,938
Operating (loss)/profit		(960,999)	149,049
Finance income		9,701	2,085
Finance costs		(63,574)	(65,905)
Finance costs – net		(53,873)	(63,820)
Share of net profit of investment in an associate		2,772	423
(Loss)/profit before income tax		(1,012,100)	85,652
Income tax credit/(expense)	6	11,976	(22,370)
(Loss)/profit for the year		(1,000,124)	63,282
Attributable to:			
Owners of the Company		(1,031,854)	18,381
Non-controlling interests		31,730	44,901
		(1,000,124)	63,282
(Losses)/earnings per share for profit attributable to owners of the Company (expressed in RMB per share)			
Basic and diluted (losses)/earnings per share	7	(0.96)	0.02

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(All amounts in Renminbi thousands unless otherwise stated)

	Year ended 31 December	
	2025	2024
(Loss)/profit for the year	(1,000,124)	63,282
Other comprehensive (loss)/income:		
<i>Items that may be reclassified to profit or loss</i>		
Currency translation differences	<u>(8,738)</u>	<u>828</u>
Total comprehensive (loss)/income for the year	<u>(1,008,862)</u>	<u>64,110</u>
Attributable to:		
Owners of the Company	(1,036,006)	20,197
Non-controlling interests	<u>27,144</u>	<u>43,913</u>
Total comprehensive (loss)/income for the year	<u>(1,008,862)</u>	<u>64,110</u>

CONSOLIDATED BALANCE SHEET

(All amounts in Renminbi thousands unless otherwise stated)

		<u>As at 31 December</u>	
	<i>Note</i>	2025	2024
ASSETS			
Non-current assets			
Property, plant and equipment		2,265,358	1,993,623
Right-of-use assets		150,872	152,934
Investment properties		522,100	631,800
Intangible assets		733,833	1,615,432
Investment in an associate		4,311	1,768
Deferred income tax assets		47,763	32,495
Prepayments	<i>9</i>	18,725	6,162
		<u>3,742,962</u>	<u>4,434,214</u>
Current assets			
Inventories		250,442	337,053
Trade and other receivables	<i>9</i>	883,945	938,946
Restricted cash	<i>14</i>	1,277,457	183,500
Financial assets at fair value through profit or loss		205,553	121,491
Assets classified as held for sale	<i>13</i>	113,926	–
Cash and cash equivalents		324,614	282,721
		<u>3,055,937</u>	<u>1,863,711</u>
Total assets		<u>6,798,899</u>	<u>6,297,925</u>
EQUITY			
Attributable to owners of the Company			
Share capital		101,522	101,522
Share premium		1,292,432	1,292,432
Shares held under the share award scheme		(979)	(979)
Retained earnings		205,608	1,245,431
Other reserves		504,093	502,549
		<u>2,102,676</u>	<u>3,140,955</u>
Non-controlling interests		<u>288,614</u>	<u>268,323</u>
Total equity		<u>2,391,290</u>	<u>3,409,278</u>

		As at 31 December	
	<i>Note</i>	2025	2024
LIABILITIES			
Non-current liabilities			
Deferred government grants		33,930	34,724
Deferred income tax liabilities		52,551	73,896
Borrowings	<i>11</i>	1,258,988	955,904
Lease liabilities		33,347	7,121
		<u>1,378,816</u>	<u>1,071,645</u>
Current liabilities			
Trade and other payables	<i>10</i>	1,956,875	807,141
Contract liabilities		44,565	38,454
Lease liabilities		10,761	2,758
Current income tax liabilities		73,320	74,563
Borrowings	<i>11</i>	943,272	894,086
		<u>3,028,793</u>	<u>1,817,002</u>
Total liabilities		<u>4,407,609</u>	<u>2,888,647</u>
Total equity and liabilities		<u>6,798,899</u>	<u>6,297,925</u>

1. GENERAL INFORMATION

China Boton Group Company Limited (the “Company”) and its subsidiaries (together the “Group”) manufacture and sell extracts, flavors, fragrances and electronic cigarette (“e-Cigarette”) products mainly in the People’s Republic of China (the “PRC”) and Asia. The Company was incorporated in the Cayman Islands on 9 March 2005 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of its registered office is: Cricket Square, Hutchins Drive, P.O. Box 2681 Grand Cayman KY1-1111, Cayman Islands.

On 9 December 2005, shares of the Company were listed on The Stock Exchange of Hong Kong Limited.

These consolidated financial statements are presented in Renminbi (“RMB”), unless otherwise stated.

These consolidated financial statements have been approved for issue by the Board of Directors on 23 March 2026.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards (“HKFRS”), Hong Kong Accounting Standards (“HKAS”) and Interpretations developed by the Hong Kong Institute of Certified Public Accountants.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and financial assets at fair value through profit or loss (“FVPL”), which are carried at fair value.

2.2 New and amended standards

(a) New and amended standards adopted by the Group

The Group has applied the following amendments for its annual reporting period commencing 1 January 2025:

- Lack of exchangeability – Amendments to HKAS 21

The amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) Amendments to standards and interpretations that have been issued and are relevant to the Group but not yet effective for the financial year beginning on or after 1 January 2025 and have not been early adopted by the Group

The Group anticipates that the application of these new and amended standards and interpretations will have no material impact on the results and financial positions of the Group except for certain reclassification.

3. SEGMENT INFORMATION

The chief operating decision-makers have been identified as the executive directors of the Company. The executive directors review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The executive directors consider the business from a product perspective. The Group is organised into five segments during the year:

- Tobacco flavors (previously known as “Flavor enhancers”);
- Food flavors;
- Fine fragrances;
- e-Cigarette products; and
- Investment properties.

The chief operating decision-makers assess the performance of the segments based on the profit for the year.

The segment information for the year ended 31 December 2025 is as follows:

	Tobacco flavors	Food flavors	Fine fragrances	e-Cigarette products	Investment properties	Unallocated	Total segments
Segment revenue	385,340	205,961	177,479	668,784	59,488	–	1,497,052
Inter-segment revenue	(1,203)	–	–	(5)	(251)	–	(1,459)
Revenue from external customers	<u>384,137</u>	<u>205,961</u>	<u>177,479</u>	<u>668,779</u>	<u>59,237</u>	<u>–</u>	<u>1,495,593</u>
Other income	1,661	467	608	1,085	–	–	3,821
Other (losses)/gains – net	(1,282)	1,485	1,940	(3,420)	(38,200)	–	(39,477)
Operating (loss)/profit	(937,461)	62,272	43,052	(124,850)	14,309	(18,321)	(960,999)
Finance income	8,763	559	274	79	–	26	9,701
Finance costs	(53,168)	(855)	(155)	(6,210)	–	(3,186)	(63,574)
Finance costs – net	(44,405)	(296)	119	(6,131)	–	(3,160)	(53,873)
Share of net profit of investment in an associate	–	2,772	–	–	–	–	2,772
(Loss)/profit before income tax	(981,866)	64,748	43,171	(130,981)	14,309	(21,481)	(1,012,100)
Income tax credit/(expense)	15,447	(7,558)	(5,599)	17,219	(2,006)	(5,527)	11,976
(Loss)/profit for the year	<u>(966,419)</u>	<u>57,190</u>	<u>37,572</u>	<u>(113,762)</u>	<u>12,303</u>	<u>(27,008)</u>	<u>(1,000,124)</u>
Depreciation and amortisation	73,335	6,975	9,088	43,427	–	9,818	142,643
Impairment charge of goodwill	845,405	–	–	–	–	–	845,405
Net impairment losses/(net reversal of impairment losses) on financial assets	23,447	(320)	45	(3,719)	206	1,993	21,652
Write down/(reversal of write-down) of inventories to net realisable value	21,869	(355)	(462)	(5,239)	–	–	15,813
Capital expenditures	<u>203,339</u>	<u>745</u>	<u>971</u>	<u>214,445</u>	<u>–</u>	<u>–</u>	<u>419,500</u>

The segment information for the year ended 31 December 2024 is as follows:

	Tobacco flavors	Food flavors	Fine fragrances	e-Cigarette products	Investment properties	Unallocated	Total segments
Segment revenue	606,045	190,355	169,757	639,592	51,885	–	1,657,634
Inter-segment revenue	(4,025)	–	–	–	(613)	–	(4,638)
Revenue from external customers	<u>602,020</u>	<u>190,355</u>	<u>169,757</u>	<u>639,592</u>	<u>51,272</u>	<u>–</u>	<u>1,652,996</u>
Other income	2,014	410	534	444	–	–	3,402
Other gains/(losses) - net	2,128	996	2,615	14	(200)	385	5,938
Operating profit/(loss)	90,264	54,512	46,076	(50,273)	27,332	(18,862)	149,049
Finance income	512	493	545	396	–	139	2,085
Finance costs	(54,946)	–	–	(3,995)	–	(6,964)	(65,905)
Finance costs – net	(54,434)	493	545	(3,599)	–	(6,825)	(63,820)
Share of net profit of investment in an associate	–	423	–	–	–	–	423
Profit/(loss) before income tax	35,830	55,428	46,621	(53,872)	27,332	(25,687)	85,652
Income tax (expense)/credit	(13,020)	(5,981)	(4,898)	9,479	(4,100)	(3,850)	(22,370)
Profit/(loss) for the year	<u>22,810</u>	<u>49,447</u>	<u>41,723</u>	<u>(44,393)</u>	<u>23,232</u>	<u>(29,537)</u>	<u>63,282</u>
Depreciation and amortisation	61,921	7,451	7,340	36,287	–	7,796	120,795
Impairment charge of goodwill	67,414	–	–	–	–	–	67,414
Net impairment losses/(net reversal of impairment losses) on financial assets	(3,616)	(66)	1,199	6,897	–	3,214	7,628
Write-down/(reversal of write-down) of inventories to net realisable value	263	(2,051)	(2,672)	5,627	–	–	1,167
Capital expenditures	<u>141,620</u>	<u>3,043</u>	<u>2,426</u>	<u>402,562</u>	<u>–</u>	<u>3,419</u>	<u>553,070</u>

Breakdown of revenue is as follows:

Analysis of revenue by category

2025

2024

Revenue from contracts with customers

Recognised at a point in time:

Sales of goods

1,436,356

1,601,724

Revenue from other sources:

Rental income

59,237

51,272

1,495,593

1,652,996

**Analysis of revenue from external customers
by geographic location**

	2025	2024
The PRC	1,134,195	1,363,798
Asia	358,769	287,174
Others	2,629	2,024
	<u>1,495,593</u>	<u>1,652,996</u>

4. EXPENSES BY NATURE

Expenses included in cost of sales, selling and marketing expenses and administrative expenses are analysed as follows:

	2025	2024
Depreciation and amortisation	142,643	120,795
Employee benefit expenses	220,982	213,322
Changes in inventories of finished goods and work in progress	47,429	(20,303)
Raw materials and consumables used	946,336	974,346
Write-downs of inventories to net realisable value	15,813	1,167
Other taxes and levies	25,389	24,683
Water and electricity	17,082	13,506
Transportation and traveling	13,247	16,633
Advertising costs	7,244	5,567
Consulting and commission fees	61,460	30,981
Short-term lease expenses	7,048	9,821
Auditor's remuneration		
– Audit services	6,480	6,480
Entertainment	16,168	13,332
Office expenses	13,106	17,792
Donation	903	264
Others	12,549	9,859
	<u>1,553,879</u>	<u>1,438,245</u>

5. OTHER (LOSSES)/GAINS – NET

	2025	2024
Fair value gains on investments in wealth management products	4,096	1,324
(Losses)/gains on disposal of property, plant and equipment	(112)	3,130
Fair value losses on investment properties	(38,200)	(200)
Others	(5,261)	1,684
	<u>(39,477)</u>	<u>5,938</u>

6. INCOME TAX (CREDIT)/EXPENSE

The amount of tax charged to the consolidated income statement represents:

	2025	2024
Current income tax	24,637	38,155
Deferred income tax	<u>(36,613)</u>	<u>(15,785)</u>
	<u><u>(11,976)</u></u>	<u><u>22,370</u></u>

- (a) No provision for profits tax in the British Virgin Islands and the Cayman Islands has been made as the Group has no income assessable for profits tax for the year in these jurisdictions.
- (b) Pursuant to the corporate income tax law effective from 1 January 2008, the subsidiaries of the Group established in the PRC are subject to income tax at a rate of 25% unless preferential rates are applicable.

Certain subsidiaries of the Group, Shenzhen Boton Flavors & Fragrances Company Limited (“SZ Boton”), Boton Flavors and Fragrances Company Limited (formerly known as “Dongguan Boton Flavors and Fragrances Co., Ltd.”) (“Dongguan Boton”), Kimsun Technology (Huizhou) Co., Ltd. and Hubei Boton Biological Technology Co., Ltd., are qualified as High/New Technology Enterprises, and accordingly they are entitled to the preferential rate of 15% for the year.

7. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year, excluding the ordinary shares repurchased and held for the purpose of the share award scheme.

	2025	2024
(Loss)/profit attributable to owners of the Company (RMB thousands)	<u>(1,031,854)</u>	<u>18,381</u>
Weighted average number of ordinary shares in issue (thousands)	<u>1,080,012</u>	<u>1,080,252</u>
Basic (losses)/earnings per share (RMB per share)	<u><u>(0.96)</u></u>	<u><u>0.02</u></u>

(b) Diluted earnings per share

For the year ended 31 December 2025 and 2024, diluted earnings per share were the same as basic earnings per share as there were no dilutive potential ordinary shares as at year end date.

8. DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: Nil).

9. TRADE AND OTHER RECEIVABLES

	<i>Note</i>	2025	2024
Trade receivables	<i>(a)</i>	730,450	714,933
Less: provision for expected credit loss		(243,945)	(248,092)
Trade receivables – net		486,505	466,841
Bills receivable	<i>(b)</i>	16,322	5,045
		502,827	471,886
Other receivables:			
– Prepayments	<i>(c)</i>	255,431	334,197
– Other deposits	<i>(d)</i>	86,793	72,671
– Excess of input over output value added tax		73,525	30,530
– Advances to staff		4,566	4,166
– Others		7,767	34,098
		428,082	475,662
Less: provision for expected credit loss		(28,239)	(2,440)
Other receivables – net		399,843	473,222
		902,670	945,108
Less: non-current – prepayments for property, plant and equipment		(18,725)	(6,162)
Current		883,945	938,946

Fair values of trade and other receivables approximate their carrying amounts.

The carrying amounts of trade and other receivables are mainly denominated in RMB.

- (a) The credit period granted to customers is generally between 30 to 360 days. The ageing analysis of the trade receivables based on invoice date is as follows:

	2025	2024
Less than 3 months	364,119	300,331
More than 3 months but not exceeding 1 year	90,767	149,314
More than 1 year	<u>275,564</u>	<u>265,288</u>
	<u>730,450</u>	<u>714,933</u>

- (b) Bills receivable

Bills receivable include bank acceptance bills and commercial acceptance bills which are analysed as follows:

	2025	2024
Bank acceptance bills	15,413	3,629
Commercial acceptance bills	<u>909</u>	<u>1,416</u>
	<u>16,322</u>	<u>5,045</u>

The maturity profile of bills receivable is as follows:

	2025	2024
Up to 3 months	8,882	3,776
3 to 6 months	<u>7,440</u>	<u>1,269</u>
	<u>16,322</u>	<u>5,045</u>

- (c) The amount mainly represents prepayments for raw materials.
- (d) The amount mainly represents deposits for suppliers and rental deposits.

10. TRADE AND OTHER PAYABLES

	<i>Note</i>	2025	2024
Trade payables	<i>(a)</i>	382,219	432,587
Payables for business combinations	<i>(b)</i>	150,000	150,000
Salaries payable		57,366	44,447
Other taxes payable		35,144	35,136
Accrued expenses		30,444	17,238
Amount due to the directors and employees of Dongguan Boton	<i>(c)</i>	36,491	36,491
Bills payable		–	1,141
First instalment payment of the Land Resumption received	<i>13</i>	1,135,957	–
Advances from a related party	<i>(d)</i>	27,207	–
Others		102,047	90,101
		<u>1,956,875</u>	<u>807,141</u>

The carrying amounts of trade and other payables are mainly denominated in RMB.

(a) The ageing analysis of the trade payables based on invoice date is as follows:

	2025	2024
Less than 3 months	306,305	290,632
More than 3 months but not exceeding 1 year	7,361	64,980
More than 1 year	68,553	76,975
	<u>382,219</u>	<u>432,587</u>

- (b) The balance represented the outstanding consideration payable in relation to the acquisition of Kimree, Inc.
- (c) The balance represented consideration from the directors and employees of Dongguan Boton for the proposed transfer of equity interests of Dongguan Boton.
- (d) The above advances from a related party represents advances from Mr. Wang Ming Fan, the ultimate controlling shareholder of the Company, which are unsecured, repayable on demand and interest-free.

11. BORROWINGS

	2025	2024
Non-current		
Bank borrowings		
– secured	1,241,608	701,240
– unsecured	499,231	456,948
Other borrowings		
– secured	83,655	72,000
	<u>1,824,494</u>	<u>1,230,188</u>
Less: current portion of non-current borrowings	<u>(565,506)</u>	<u>(274,284)</u>
	<u><u>1,258,988</u></u>	<u><u>955,904</u></u>
Current		
Bank borrowings		
– secured	95,889	231,192
– unsecured	281,877	388,610
	<u>377,766</u>	<u>619,802</u>
Current portion of non-current borrowings	<u>565,506</u>	<u>274,284</u>
	<u><u>943,272</u></u>	<u><u>894,086</u></u>
Total borrowings	<u><u>2,202,260</u></u>	<u><u>1,849,990</u></u>

12. IMPAIRMENT CHARGE OF GOODWILL

Based on the results of management's impairment assessment, impairment charge of approximately RMB845,405,000 was made against the goodwill relating to the tobacco flavors segment for the year ended 31 December 2025 (2024: RMB67,414,000).

13. ASSETS CLASSIFIED AS HELD FOR SALE

On 7 December 2025, Shenzhen Boton, entered into a land resumption agreement with Xili Residential District Office in Nanshan District of Shenzhen (深圳市南山區西麗街道辦事處)(the “Local Authority”) (the “Land Resumption Agreement”). Pursuant to the Land Resumption Agreement, Shenzhen Boton shall surrender a land parcel located at Le Li Road, Nanshan District, Shenzhen, Guangdong Province, the PRC (the “Proposed Land”) and its land use rights to the Local Authority in return for a total compensation of RMB2,271,913,552 and an early completion bonus of RMB222,472,334 (the “Land Resumption”), which shall be payable in cash to Shenzhen Boton by instalments into the jointly managed bank account by the parties. As at 31 December 2025, the Company has received the first instalment payment of RMB1,135,956,776 according to the Land Resumption Agreement, which was restricted for use at 31 December 2025, such restriction was subsequently discharged in February 2026 after the Company’s shareholders approved the Land Resumption transaction in the related extraordinary general meeting held on 2 February 2026.

The Proposed Land, comprising certain land use rights and buildings and structures, is classified as assets held for sale, which includes the following:

	2025
Right-of-use assets	30,524
Investment properties	71,500
Property, plant and equipment	11,902
	<u>113,926</u>

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 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. As at the date of these consolidated financial statements, the Land Resumption transaction has not been completed, thus the above first instalment payment received was recorded in ‘Other payables’ as at 31 December 2025.

14. RESTRICTED CASH

	2025	2024
Pledged deposits for bank borrowings	141,500	183,500
First instalment payment of the Land Resumption under the jointly management account (<i>note 13</i>)	1,135,957	–
	<u>1,277,457</u>	<u>183,500</u>

The carrying amount of the balance approximates its fair value and represents maximum exposure to credit risk.

MANAGEMENT DISCUSSION AND ANALYSIS

PRINCIPAL BUSINESSES OF THE GROUP

During the year ended 31 December 2025, the Group was principally engaged in manufacturing and selling of extracts, flavors and fragrances. It also engaged in design and manufacturing of high-quality e-Cigarette and the related products as well.

As one of the major flavors and fragrances manufacturers in the PRC, our flavors products are sold to wide range of manufacturers of different industries in the PRC and overseas, such as tobacco, beverages, daily foods, preserved food, savory and confectionery industries, and our fragrances products are sold to the manufacturers of cosmetics, perfumes, soaps, toiletries, hair care products, deodorant, detergent and air fresheners industries. For our e-Cigarette products, such as disposable e-Cigarettes, re-chargeable e-Cigarettes and e-Cigarette accessories, they are sold to the tobacco companies, independent e-Cigarette makers and other customers under various brands, covering end users from different countries globally.

BUSINESS REVIEW

Throughout 2025, the Group had been actively restoring its domestic market position while accelerating its globalization efforts, with a focused expansion into developing economies. By leveraging local natural resources and substantial market potential, the Group implemented various short-term plans to foster sustainable and steady growth in overseas countries through localization and technical cooperation. The Group has also upgraded certain production plants and negotiated with leading international enterprises to capture high-value-added markets through partnership. The Group implemented comprehensive sales plans to broaden distribution networks to support its international expansion and enhance customer service support worldwide, particularly for e-Cigarette products, including e-liquids and devices.

During the year ended 31 December 2025, the total revenue of the Group amounted to approximately RMB1,495.6 million (2024: RMB1,653.0 million), representing a decrease of 9.5% when compared to last year. The Group's gross profit was decreased to approximately RMB377.1 million (2024: RMB597.9 million), representing a decrease of 36.9% when compared to last year and the Group's net loss for the review period was approximately RMB1,000.1 million (2024: net profit of RMB63.3 million) representing a significant decrease of approximately RMB1,063.4 million as compared to last year. The decrease is mainly attributable to an impairment charge of goodwill relating to the tobacco flavors segment in the amount of approximately RMB845.4 million (2024: RMB67.4 million), increase in fair value losses on investment properties, decline in gross profit and increase in selling and marketing expenses and administration expenses as compared with last year. If, without taking into account the impairment losses on goodwill of both years, the Group's net loss for the year ended 31 December 2025 would be amounted to approximately RMB154.7 million, decreased by approximately RMB285.4 million as compared with the net profit of approximately RMB130.7 million of last year.

Revenue

The Group recorded a total revenue of approximately RMB1,495.6 million, representing a decrease of 9.5% (2024: RMB1,653.0 million) for the year ended 31 December 2025.

The breakdowns of the total revenue of the Group for the year ended 31 December 2025 (excluding intersegment revenue) were as follows:

	For the year ended 31 December				
	2025		2024		% change
	Revenue RMB (M)	% of total revenue	Revenue RMB (M)	% of total revenue	
Tobacco flavors	384.1	25.7%	602.0	36.4%	-36.2%
Food flavors	206.0	13.8%	190.4	11.5%	+8.2%
Fine fragrances	177.5	11.9%	169.8	10.3%	+4.5%
e-Cigarette products	668.8	44.7%	639.6	38.7%	+4.6%
Investment properties	59.2	3.9%	51.2	3.1%	+15.5%
Total	<u>1,495.6</u>	<u>100.0%</u>	<u>1,653.0</u>	<u>100.0%</u>	<u>-9.5%</u>

Tobacco flavors

The revenue of the tobacco flavors segment (previously known as “flavor enhancers segment”) was approximately RMB384.1 million for the year ended 31 December 2025 (2024: RMB602.0 million), representing a decrease of 36.2% when compared to last year. Due to changes in demand from major customers in the tobacco flavor industry, adjustments in procurement policies, self-developed tobacco flavors and a deteriorating overall market environment, the revenue of this segment was decreased during the year ended 31 December 2025. As at the end of the reporting period, the Company engaged an independent valuer to conduct an impairment test on the goodwill of the tobacco flavors segment as at 31 December 2025. Based on the applicable accounting principles, the cautious forecast for the future sales of the tobacco flavors segment and the impairment test result, an impairment charge of goodwill in the amount of approximately RMB845.4 million was recognized during the reporting year.

Food flavors

The food flavors segment recorded a revenue of approximately RMB206.0 million for the year ended 31 December 2025 (2024: RMB190.4 million), representing an increase of 8.2% when compared to last year. Due to the support of existing clients of the Group, the revenue of this segment had recorded a stable growth during the year ended 31 December 2025. The Group would continue to develop new flavors from the natural resources and good customer services to maintain its pioneer position in the industry.

Fine fragrances

The fine fragrances segment recorded a revenue of approximately RMB177.5 million for the year ended 31 December 2025 (2024: RMB169.8 million), representing a mild increase of 4.5% when compared to last year. The increase in the revenue of the fine fragrance segment was due to the continuous support of long relationship customers.

e-Cigarette products

The revenue of e-Cigarettes (which comprised disposable e-Cigarettes and rechargeable e-Cigarettes) and its accessories amounted to approximately RMB668.8 million during the year ended 31 December 2025, representing a mild increase of 4.6% from approximately RMB639.6 million of last year. The increase in revenue during the reporting year was due to support of new clients and existing clients under the tightened production and new tax arrangement of the e-Cigarette products in the industry. The Group had reformed to enhance the promotion of the e-Cigarette products and e-Liquid in the Southeast Asia and other developing countries. It would also enhance automation systems in the production chain of the factories in order to reduce costs and improve the gross profit margin of this segment.

Investment properties

The revenue of this segment was approximately RMB59.2 million, representing an increase of 15.5% from approximately RMB51.2 million of last year. The increase was due to the continuous stable leasing of the properties at Shenzhen which generated stable revenue during the year ended 31 December 2025.

Gross Profit

The operations recorded a gross profit of approximately RMB377.1 million for the year ended 31 December 2025 (2024: RMB597.9 million), representing a decrease of 36.9% when compared to last year and the gross profit margin decreased from 36.2% in 2024 to 25.2% in 2025.

The revenue of the major business segments of the Group decreased during the year ended 31 December 2025, while the continuous increase in raw material and direct labour costs amid the severe economic environment also contributed to the reduction in gross profit margin. As a result, both gross profit and gross profit margin decreased during the year ended 31 December 2025.

Expenses

Selling and marketing expenses

Selling and marketing expenses amounted to approximately RMB65.8 million for the year ended 31 December 2025 (2024: RMB48.5 million) representing approximately 4.4% to revenue of the year (2.9% to revenue in 2024) and also representing an increase of 35.7% when compared to last year. The increase in these expenses was mainly attributable to the increase of labour costs which caused increase in employee benefit expenses and also the increase of commission fees.

Administrative expenses

Administrative expenses amounted to approximately RMB369.6 million for the year ended 31 December 2025 (2024: RMB334.7 million), representing approximately 24.7% to revenue of the year (20.2% to revenue in 2024) and also representing an increase of 10.4% when compared to last year. The increase in these expenses was mainly attributable to the increase of consulting fees, which was caused by the increase in outsourced research and development expenses, and water and electricity expenses of new manufacturing plant in Huizhou during the reporting year.

Impairment charge of goodwill

The Group had an impairment of goodwill, relating to the acquisition of four tobacco businesses in July 2016, amounted to approximately RMB845.4 million (2024: RMB67.4 million). Since the management identified the overall market environment was deteriorating and the decrease of the revenue of the tobacco flavors segment during the reporting period, the Company had engaged an independent valuer to conduct an impairment test on the goodwill of the tobacco flavors business as at 31 December 2025. Based on the applicable accounting principles, the cautious forecast for the future sales of the tobacco flavors business and the impairment test result, the aforesaid impairment charge of goodwill of approximately RMB845.4 million was recognized during the reporting year.

Net impairment losses on financial assets

The Group had applied the expected credit losses for all trade receivables. There were net impairment losses of approximately RMB21.7 million for trade and other receivables of the Group during the reporting period (2024: RMB7.6 million). The increase of net impairment losses was mainly due to the deterioration in collection of the receivables.

Other income

Other income amounted to approximately RMB3.8 million for the year ended 31 December 2025 (2024: RMB3.4 million). The increase was mainly due to the increase in the PRC government grants and subsidies of the Group during the year ended 31 December 2025.

Other (losses)/gains – net

Other losses – net amounted to approximately RMB39.5 million for the year ended 31 December 2025, representing a decrease of approximately RMB45.4 million when compared to last year (2024: gain of RMB5.9 million). The other losses were mainly attributable to the fair value losses on investment properties.

Finance costs – net

Finance costs – net amounted to approximately RMB53.9 million for the year ended 31 December 2025 (2024: RMB63.8 million) which mainly consisted of the interest expenses on borrowings in the year. The decrease in the finance costs – net was mainly due to the increase in finance income for the year ended 31 December 2025.

(Net loss)/net profit

Net loss for the year ended 31 December 2025 amounted to approximately RMB1,000.1 million (2024: net profit of RMB63.3 million), representing a significant decrease of approximately RMB1,063.4 million when compared to last year. The decrease was mainly due to severe global business environment and an impairment charge of goodwill of the tobacco businesses acquired in 2016 in the amount of approximately RMB845.4 million during the year ended 31 December 2025. If, without taking into account the above impairment loss on goodwill, the Group's net loss for the year ended 31 December 2025 would be approximately RMB154.7 million.

Principal risks and uncertainties

The Company is exposed to risks of unfavourable market conditions, uncertainty of business developments, changes in consumption trends, changes in the PRC property market, regional and local economies, changes in currency rates and interest rates as well as changes in the public policies, laws and regulations in different jurisdictions in relation to its businesses. These developments may or may not have material impact on the Group's financial condition and results of its operation. The Company will continue to implement prudent operational and financial policies in seeking to address the impact of these uncertain factors.

Environmental policies

For compliance of all the applicable national and regional laws and regulations in connection of the environment, to name a few of those laws, e.g. (i) the Environmental Protection Law of the People's Republic of China (中華人民共和國環境保護法), (ii) the Law of the People's Republic of China on Prevention and Control of Water Pollution (中華人民共和國水污染防治法), (iii) the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution (中華人民共和國大氣污染防治法), (iv) the Law of the People's Republic of China on Prevention and Control of Environmental Pollution Caused by Solid Waste (中華人民共和國固體廢物污染環境防治法), (v) the Administrative Measures of the Shenzhen Special Economic Zone on Permit for Pollutant Discharge (深圳經濟特區污染物排放許可證管理辦法), as well as to minimize the adverse impact of the Group's operation on the environment and natural resources, the Group has environmental policies and procedures in place and allocates resources for conservation of the environment.

Future Plans and Prospects

As inflation subsides, the global economy enters the year 2026 on a relative stable footing. However, this stability rests upon a fragile equilibrium that could easily be disrupted. Nevertheless, economic growth is projected to remain subdued, as lingering effects from previous monetary tightening, elevated debt levels, and ongoing geopolitical risks continue to constrain economic activity.

Key factors shaping the global outlook include the productivity impact of artificial intelligence, the fiscal strategies of major economies, and the gradual adaptation of global trade systems to the deepening structural fragmentation. While a partial easing of trade tensions has mitigated short term disruptions to international commerce, the effects of increased tariffs among major economies—combined with persistent macroeconomic uncertainty—are expected to become more evident over the course of 2026.

After the completion of the Land Resumption in February 2026, the Company has new income stream to enhance the liquidity and working capital of the Group in the coming financial years. The Group may explore and may plan to invest in advanced production technology and automation to streamline manufacturing processes, reduce direct labor costs, and improve operational efficiency across all product lines of the business segments. Furthermore, by strengthening the digital transformation, the Group will accurately identify the dynamic change and the favour trend of the customers so as to consolidate existing customer base and to develop new potential customers for each business segment of the Group.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 31 December 2025, the net current assets of the Group amounted to approximately RMB27.1 million (2024: RMB46.7 million). The decrease in net current assets was mainly attributable to increase in trade and other payables and borrowings while decrease in inventories and trade and other receivables during the reporting period. The cash and cash equivalents, pledged deposits for bank borrowings of the Group and first instalment payment of the land resumption amounted to approximately RMB1,602.1 million (2024: RMB466.2 million). Accordingly, the current ratio of the Group was 1.01 (2024: 1.03).

Total equity of the Group as at 31 December 2025 was approximately RMB2,391.3 million (2024: RMB3,409.3 million). The decrease was due to the decrease in retained earnings. As at 31 December 2025, the Group had borrowings totalling approximately RMB2,202.3 million (2024: RMB1,850.0 million), therefore debt gearing ratio was 92.1% (total borrowings over total equity) (2024: 54.3%). The borrowings comprised (i) current bank borrowings and current portion of long term borrowings of approximately RMB943.3 million (2024: RMB894.1 million) and (ii) long-term borrowings of approximately RMB1,259.0 million (2024: RMB955.9 million). The borrowings are denominated in RMB and HKD. As at 31 December 2025, the effective interest rates of the borrowings was 3.01% per annum (2024: 4.79% per annum).

The Group adopts a prudent approach in its financial management and maintains a sufficient financial position for its business operation throughout the year.

Financing

The Board considers that the financing pressure in front of the Group in connection of those acquisitions completed in 2016 will diminish in due course. With the consideration received from the Land Resumption and the funds generated from business operations, the Group believes that it will be able to obtain additional financing with good terms when needs arise.

Capital Structure

The share capital of the Company comprised ordinary shares for the reporting period. The total number of issued shares of the Company was 1,080,512,146 ordinary shares as at 31 December 2025.

Foreign Exchange Risk and Interest Rate Risk

The Group had net exchange gain of approximately RMB1.4 million in 2025 (2024: net exchange losses of RMB0.3 million). The Group mainly operates in the PRC. Most of its transactions are basically denominated in RMB with some transactions in USD and HKD and some bank borrowings in HKD. The Company shall monitor the exchange rate of RMB against the HKD and USD closely.

It is looking into the possibility of currency hedging and will take appropriate action when favourable opportunities arise. As at 31 December 2025, the Group had bank borrowings of a total of approximately RMB2,202.3 million denominated in RMB and HKD. Lending rates on bank borrowings denominated in RMB fluctuate with reference to The People's Bank of China Prescribed Interest Rate while bank borrowings denominated in HKD fluctuate with reference to the Hong Kong Inter-bank rates. The Group did not hedge its interest rate risk. The Board is of the opinion that the interest rate risk would not have material impact on the Group.

Capital Expenditure

During the year ended 31 December 2025, the Group invested approximately RMB377.7 million (2024: RMB544.9 million) in fixed assets and construction in progress. For the year ended 31 December 2025, the Group had capital commitments of approximately RMB68.2 million (2024: RMB188.9 million) in respect of fixed assets, which shall be funded by internal resources.

Charge on Group's Assets

As at 31 December 2025, the Group had charged: (i) its equity interests in some subsidiaries; (ii) certain buildings and investment properties located at Shenzhen City owned by Shenzhen Boton (together with personal guarantee of Mr. Wang Ming Fan); (iii) the land use right of a PRC subsidiary in Hubei, PRC; (iv) certain bank deposits; (v) a property located in Hong Kong and (vi) the land use right and properties of a PRC subsidiary in Huizhou, PRC as pledge for borrowings.

Staff Policy

The Group had 1,685 employees in the PRC, Hong Kong and Indonesia as at 31 December 2025 (2024: 1,245 employees in the PRC, Hong Kong and Indonesia). The increase in the number of employees was mainly attributable to the change of employment structure and increase in the number of permanent staffs for a new production plant in the PRC.

The Company appreciates talents and value staff as valuable asset of the Group. The Group offers a comprehensive and competitive remuneration, retirement schemes, a share award scheme, a share option scheme and benefit package to its employees. Discretionary bonus is offered to the Group's staff depending on their performance. The Group is required to make contribution to a social insurance scheme in the PRC. The Group and its employees in the PRC are in compliance with the rules and make contribution to a social insurance scheme in the PRC. The Group and its employees in the PRC are also required to make contribution to fund the endowment insurance and unemployment insurance at rates specified in the relevant PRC laws and regulations. The Group has adopted a provident fund scheme, as required under the Mandatory Provident Schemes Ordinance, for its employees in Hong Kong.

Material Investment

For the year ended 31 December 2025, the Group had material investment in a construction project on a land located at Huizhou Zhongkai Hi-tech Industrial Development Zone, Guangdong Province, the PRC (the "Land").

The Group had entered into an agreement with the vendor to obtain the land use right of the Land at the consideration of RMB40,490,000 on 7 April 2023. Pursuant to the agreement, the Group agreed that the fixed asset investment, included but not limited to the consideration for that acquisition, investment for the construction of buildings and machinery costs, on the Land would be approximately RMB400,000,000. The Group had constructed the construction project and planned to expand the e-Cigarette Products Segment of the Company. Details of the aforesaid acquisition were disclosed in the Company's announcements dated 9 December 2022 and 7 April 2023 respectively. The construction project was completed during the reporting period.

Contingent Liabilities

As at 31 December 2025, saved for the litigation cases disclosed under the paragraph of "Legal Proceeding against Vendors of an Acquisition" in the Management Discussion and Analysis Section, the Group did not have any significant contingent liabilities.

SUPPLEMENTAL AGREEMENT – EXTENSION OF PROFIT GUARANTEE

In 2020, the Group had executed an equity transfer agreement (“the Equity Transfer Agreement”) in relation to the disposal of certain equity interest in Boton Flavors and Fragrances Co., Ltd. 波頓香料股份有限公司 (formerly known as Dongguan Boton Flavors and Fragrances Company Limited 東莞波頓香料有限公司) (“Dongguan Boton” and together with its subsidiaries, the “Dongguan Boton Group”).

Pursuant to the Equity Transfer Agreement, profit guarantee (including revenue guarantee and net profit guarantee) was made by the purchasers and two limited partnerships that Dongguan Boton Group would maintain an annual growth of not less than 10% of its revenue and net profit excluding extraordinary items in the relevant period of five financial years after the completion date, subject to the automatic termination in the event of the proposed spin-off and the proposed A-Share listing are successfully completed during the relevant period. The aforesaid relevant period expired on 31 December 2024. The guarantee on the revenue could not be fulfilled but the guarantee on the net profit was well fulfilled. The net profit of Dongguan Boton Group significantly increased by approximately 81.5% from the financial year of 2020 to 2024.

On 1 August 2025, both parties entered into a supplemental agreement to the Equity Transfer Agreement (the “Supplemental Agreement”) to have an extended guarantee arrangement (“New Guarantee”) on Dongguan Boton Group. Pursuant to the Supplemental Agreement, each of the purchasers guaranteed that the net profit of Dongguan Boton Group from 1 January 2025 to 31 March 2026 should grow by not less than 5%. In the event that the New Guarantee cannot be met (save and except due to the occurrence of the aforesaid force majeure events), the purchasers should transfer the respective sale interest (save and except the respective Sale Interest transferred from Champion Sharp to Mr. Qian, Mr. Li and Ms. Yang under the Equity Transfer Agreement) to the vendors. The Supplemental Agreement will take retrospective effect from 1 January 2025. Save as disclosed above, all other principal terms and conditions of the Equity Transfer Agreement shall remain unchanged and continue to be in full force and effect in all respects.

The Purchasers were connected persons of the Company and hence the New Guarantee constituted a connected transaction under the Listing Rules. As the applicable percentage ratios exceed 0.1% but are less than 5%, the Supplemental Agreement and the New Guarantee are subject to the reporting and announcement requirements but are exempt from the independent Shareholders’ approval and circular requirements under Chapter 14A of the Listing Rules.

Details of the corporate guarantee and New Guarantee could refer to the announcements dated 12 June 2020 and 1 August 2025 respectively.

LAND RESUMPTION IN SHENZHEN

On 7 December 2025, Shenzhen Boton Flavor & Fragrances Co., Ltd. (深圳波頓香料有限公司) (“Shenzhen Boton”), an indirect wholly-owned subsidiary of the Company, entered into a land resumption agreement (“Land Resumption Agreement”) with the PRC local authority (the “Local Authority”) pursuant to which Shenzhen Boton shall surrender a 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) (the “Land Resumption”). The proposed land was 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”) and was part and parcel of the land lot (lot number T505-0059) that Shenzhen Boton owned with an aggregate site area of 80,167.47 sq.m. The headquarter of the Group and the Proposed Land were located in the said land lot.

On 24 December 2025, the Local Authority, Shenzhen Boton and Shenzhen Baishuo New City Investment Co., Ltd. (深圳市百碩新城投資有限公司) (“Baishuo Xincheng”) entered into a supplemental agreement (the “Supplemental Agreement”) to the Land Resumption Agreement. Baishuo Xincheng was a market entity introduced by the Local Authority through open bidding procedures. Baishuo Xincheng assumed the rights and obligations of the Local Authority specified in the agreement on Land Resumption already signed by them. The rights and obligations of Shenzhen Boton under the Land Resumption Agreement would not be affected. If Baishuo Xincheng failed to perform the Land Resumption Agreement due to liquidation or other reason, the Local Authority would continue to perform the obligations under the Land Resumption Agreement. If the Local Authority or Baishuo Xincheng was in breach, Shenzhen Boton had the right to take action against the Local Authority and/or Baishuo Xincheng.

The total compensation for the Land Resumption was RMB2,271,913,552 (equivalent to approximately HK\$2,495,015,463) and the total compensation (if included the early completion bonus) for the Land Resumption should be RMB 2,494,385,886 (equivalent to approximately HK\$2,739,334,580), which should be paid 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 became 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, before 6 April 2026; 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), before 16 May 2026. However, if, through no fault of Shenzhen Boton, the deregistration and amendment had not been completed within 40 working days after Shenzhen Boton vacated the Proposed Land, the relevant amount should 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 could be delivered early, i.e. before 6 April 2026, an early completion bonus in the amount of RMB222,472,334 (equivalent to approximately HK\$244,319,117) would be paid within 40 working days after Shenzhen Boton vacated and delivered 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 applicable 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 had assessed the value of the Proposed Land in the amount of RMB155,000,000 as at 30 November 2025.

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 constituted a very substantial disposal for the Company and was subject to the notification, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules. A circular contained, 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, had been despatched to the shareholders of the Company in accordance with the Listing Rules on 16 January 2026.

On 2 February 2026, the Land Resumption was approved by the shareholders of the Company by way of poll at an extraordinary general meeting of the Company.

In March 2026, the Proposed Land was vacated by Shenzhen Boton. The Local Authority had inspected the Proposed Land and confirmed the land acceptance.

Details of the Land Resumption were disclosed in the Company's announcements dated 9 December 2025, 29 December 2025, 14 January 2026 and 2 February 2026 respectively and the circular dated 16 January 2026.

LEGAL PROCEEDINGS AGAINST VENDORS OF AN ACQUISITION

As at 31 December 2025, the Group had 4 legal proceedings involving Mr. Liu Qiuming ("Mr. Liu") and Mr. Xiang Zhiyong ("Mr. Xiang"), and the remaining four vendors in the acquisition of Kimree, Inc. and its subsidiaries by the Company in 2016 (the "Kimree Acquisition").

As Mr. Liu and Mr. Xiang had breached the non-competition clauses of a share purchase agreement ("SPA") entered into between the Company and corporate entities wholly owned by Mr. Liu and Mr. Xiang in the Kimree Acquisition (the "Non-competition Clauses"), on 10 August 2020, the Company commenced legal proceedings in Hong Kong by issuing a Writ of Summons for claiming against the Mr. Liu and Mr. Xiang for, inter alia, an injunction order to restrain Mr. Liu Qiuming from committing acts in breach of the Non-competition Clauses and damages against the Vendors. The legal proceedings are still on-going. Details of the legal proceedings was disclosed in the announcement of the Company dated 13 August 2020.

Kimree Technology (HK) Company Limited, an indirectly wholly-owned subsidiary (“Kimree Tech”), has commenced legal proceedings against Mr. Liu, Mr. Xiang, Mr. Zhang Jian, Mr. Ai Jianjie, Mr. Jiang Lingfan, and Ms. Yu Dafeng (collectively, the “Defendants”) for, inter alia, breach of fiduciary duties as former directors of Kimree Tech. On 22 September 2023, the Company had issued a writ of summons against the Defendants. On 16 April 2025, the Defendants filed their Defence, and on 17 June 2025, Kimree Tech filed its Reply, and the pleading stage was closed and since then, no further step has been taken by Kimree Tech up to the date of this announcement. This case is still at an early stage and thus it is not appropriate to estimate the outcome at this stage. The proceedings are still on-going.

There was a legal proceeding between the Company and one of the sellers under the SPA for the Kimree Acquisition for an alleged RMB150 million as the remaining payment under the SPA in respect of the Kimree Acquisition. The pleading stage of this case had been closed and since then, no further step has been taken by the plaintiff up to the date of this announcement. This case is still at an early stage and thus it is not appropriate to estimate the outcome at this stage.

There was a legal proceeding between the Company and the Defendants in the PRC during the reporting year in respect of the misrepresentation of the Defendants, as vendor and guarantors, to the terms of the agreement of the Kimree Acquisition. The first court hearing was held on 21 March 2025 and as at the date of the announcement, the proceedings are still on-going and there is no judgement yet.

DIVIDEND

The Board did not recommend the payment of any dividend in respect of the year ended 31 December 2025 (2024: Nil).

CLOSURE OF REGISTER OF MEMBERS

To determine the entitlement to attend and vote at the forthcoming annual general meeting, the register of members of the Company will be closed from 18 May 2026 to 22 May 2026, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited on 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on 15 May 2026.

PURCHASES, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities during the year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance and has complied with all the code provisions in the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 of the Listing Rules throughout the financial year ended 31 December 2025, except for deviation from code provision C.2.1.

In accordance with the CG Code provision C.2.1, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual to ensure a balance of power and authority. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. The Board considers that the present structure is more suitable for the Company for it provides strong and consistent leadership in the planning and execution of long-term business plans and strategies of the Company.

AUDIT COMMITTEE

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the effectiveness of its internal control system and risk management during the year under review including the audited annual financial statements of the Group for the year ended 31 December 2025. The Audit Committee is consisted of the four independent non-executive directors of the Company.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the announcement of the Group's results for the year ended 31 December 2025 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an 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 PricewaterhouseCoopers on the results announcement.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "Model Code") as its code of conduct regarding securities transactions by the directors. Having made specific enquiry, all directors confirmed their compliance with the required standard set out in the Model Code during the year ended 31 December 2025.

PUBLICATION OF ANNUAL REPORT AND ESG REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

A copy of annual report containing all information required by relevant paragraphs of Appendix D2 of the Listing Rules and a copy of ESG report will be published on the Stock Exchange's website (<http://www.hkexnews.hk>) and the Company's website (<http://www.boton.com.hk>) respectively in due course.

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

Hong Kong, 23 March 2026

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.