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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)

DISCLOSEABLE TRANSACTION **ACQUISITION OF 100% EQUITY INTEREST** **OF A PRC COMPANY**

On 30 June 2026, the Vendor and the Purchaser, an indirect wholly owned subsidiary of the Company, entered into the Agreement pursuant to which the Purchaser has agreed to purchase and the Vendor has agreed to sell the Sale Shares for a total Consideration of RMB 240,000,000 (equivalent to approximately HK\$276,077,850).

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition are more than 5% but are all less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

THE AGREEMENT

Date: 30 June 2026

Parties: (1) the Purchaser as purchaser
(2) the Vendor as vendor

The Vendor is a company established in the PRC with limited liability. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate owner are Independent Third Parties.

The Purchaser is a company established in the PRC with limited liability and is an indirect wholly owned subsidiary of the Company.

Asset to be acquired

Pursuant to the Agreement, the Vendor has agreed to sell and the Purchaser has agreed to acquire the Sale Shares, representing 100% of the registered capital of the Target Company, a company established in the PRC with limited liability.

Consideration

The Consideration of RMB240,000,000 (equivalent to approximately HK\$276,077,850) for the sale and purchase of the Sale Shares shall be settled in cash by the Purchaser by three installments:

- (a) RMB80,000,000 payable on the date of signing of the Agreement;
- (b) RMB80,000,000 payable within 5 business days after the Purchaser has finished conducting due diligence on the Target Company and the result of which is satisfactory;
- (c) RMB80,000,000 payable within 5 business days from the date the Sale Shares are registered under the name of the Purchaser.

The Consideration was determined with reference to the financial position of the Target Company. The valuation was conducted by an independent valuer who valued the Target Company at approximately RMB264.9 million (equivalent to approximately HK\$304,721,000) as at 31 May 2026 adopting asset-based approach. The Directors (including the independent non-executive Directors) consider that the Consideration, which was determined after arm's length negotiations between the parties to the Agreement, is fair and reasonable.

Conditions

Completion shall be conditional upon the fulfillment of the conditions below:

- (i) the Purchaser is satisfied with the results of its due diligence review on the Target Company;
- (ii) the Purchaser has paid the first and second installment of the Consideration;
- (iii) the registration of the Sale Shares under the name of the Purchaser has been completed;
- (iv) approval from the relevant authority of Fengxian District, Shanghai in connection with the transfer of the Sale Shares has been obtained.

None of the above conditions can be waived except with the consent of both parties. If any of the conditions precedent set out above is not fulfilled on or before the Long Stop Date (or such other date as the parties agree in writing), the Purchaser shall have the right to terminate the Agreement, none of the parties shall have any claim against the other (save for any antecedent breaches) and the Vendor shall return the Consideration already paid by the Purchaser.

Completion

Completion shall take place on the date the Sale Shares are registered under the name of the Purchaser.

Upon Completion, the Company will be interested in 100% registered capital of the Target Company, the Target Company will be accounted as subsidiary of the Company and its financial results will be consolidated with the Group.

INFORMATION OF THE COMPANY AND THE VENDOR

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.

The Vendor is engaged in the research, development, production, and operation of natural flavors, bio-flavors, and other biological products, as well as the import and export of goods and technology (excluding distribution). To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are Independent Third Parties.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company established in the PRC with limited liability. The business of the Target Company is investment holding and its sole asset is the Property.

The Property is located at 88 Chenghebang Road, Fengxian District, Shanghai, PRC, comprising a piece of land of gross floor area 15,864.9 m² and a building thereon of total buildable floor area 61,039.08 m². The building is for industrial use, with the majority of its floor area leased out for rental income (leased area: 56,910.89 m²). The Purchaser is one of the existing tenants of the Property. Fengxian District is a key industrial cluster and manufacturing hub in southern Shanghai. The construction of the Property was completed and commenced for use in 2024, the Property is relatively new and of superior quality as compared to the neighbouring buildings.

The financial information of the Target Company for two financial years ended 31 December 2024 and 2025 are as follows:

	For the year ended 31 December 2024	For the year ended 31 December 2025
	<i>(Approximately RMB'000)</i>	<i>(Approximately RMB' 000)</i>
	(Audited)	(Audited)
Turnover	1,981	2,230
Net profit/(loss) before taxation	(13,094)	(24,159)
Net profit/(loss) after taxation	(13,094)	(24,159)
Net asset value	138,508	128,683

As at the date of this announcement, the Target Company has an outstanding Loan with the Bank in the amount of approximately RMB180,000,000 and the equity interest of the Target Company has been charged in favour of the Bank as collateral. Upon Completion, the Loan will remain as an obligation of the Target Company, and the Purchaser will procure the Target Company to discharge its repayment obligations in accordance with the terms of the original loan contract.

REASONS FOR THE ACQUISITION

The Directors have been actively seeking and identifying investment opportunities in order to maximize the return of the Shareholders. In light of the Property held by the Target Company, which is strategically situated within a key industrial cluster and manufacturing hub in southern Shanghai, the Board considers that there may be appreciable growth potential in the value of the Target Company, supported by its stable rental income stream. The Purchaser currently conducts its research and development operations at the Property under a tenancy. Upon completion of the Acquisition, the Target Company will become a wholly-owned subsidiary of the Group which can eliminate external rental expenses.

Furthermore, the Board anticipates that the Acquisition will facilitate future expansion and reinforce the Group's overall research and development capabilities. As the Company surrendered the land use rights in Shenzhen to the government which was previously designated for research and development and production facilities, the Acquisition enables the Group to have alternative base to carry on its expansion. The land resumption by the government, which constituted a very substantial disposal, was disclosed in the Company's announcements dated 9 December 2025, 29 December 2025, 16 January 2026 and 2 February 2026 respectively.

In view of the above, the Board is of the opinion that the terms of the Acquisition are fair and reasonable, and that the Acquisition is in the best interests of the Company and its Shareholders as a whole.

The Consideration will be paid from the internal resources of the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition are more than 5% but are all less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Acquisition”	the acquisition of the Sale Shares by the Purchaser from the Vendor subject to the terms of the Agreement
“Agreement”	the sale and purchase agreement dated 30 June 2026 and entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Sale Shares
“Bank”	Bank of Communications Co., Ltd., Shanghai Fengxian sub-branch (交通銀行股份有限公司上海奉賢支行)
“Board”	the board of directors of the Company
“Company”	China Boton Group Company Limited, a company incorporated in Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration to be paid by the Purchaser for the sale and purchase of the Sale Shares
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, 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 of the Company in accordance with the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Loan”	the outstanding amount of approximately RMB180,000,000 due from the Target Company to the Bank
“Long Stop Date”	means 31 December 2026 (or such other date as the parties may agree in writing)
“PRC”	the People’s Republic of China
“Property”	a property located at 88 Chenghebang Road, Fengxian District, Shanghai, PRC owned by the Target Company
“Purchaser”	Boton (Shanghai) Bio-tech Co., Ltd (波頓(上海)生物技術有限公司), a company established in the PRC with limited liability, and an indirect wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	the registered capital of RMB60,000,000, which represents the entire equity interest of the Target Company
“Shareholders”	holders of the Shares
“Shares”	ordinary shares of HK\$0.01 each in the capital of the Company
“Target Company”	Shanghai Longyin Biotechnology Co., Ltd (上海龍殷生物科技有限公司), a company established in the PRC with limited liability, which is held as to 100% by the Vendor

“Vendor” Shenzhen Xinwutong Biotechnology Co., Ltd. (深圳新悟通生物科技有限公司), a company established in the PRC with limited liability

“Stock Exchange” The Stock Exchange of Hong Kong Limited

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

Hong Kong, 30 June 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.