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China Flavors and Fragrances Company Limited **中國香精香料有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3318)

SUPPLEMENTAL AGREEMENTS

IN RELATION TO

- (i) ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL IN KIMREE, INC.;**
- AND**
- (ii) BUSINESS TRANSFERS**

Reference is made to (1) the announcement of China Flavors and Fragrances Company Limited (the “**Company**”) dated 25 January 2016 and the Company’s circular dated 18 April 2016 in relation to the Acquisition of the entire issued share capital of Kimree, Inc.; and (2) the announcement of the Company dated 26 April 2016 and the Company’s circular dated 21 June 2016 in relation to the entering into of the Agreements with four Vendors in relation to the four separate Business Transfers. Unless otherwise stated herein, capitalized terms used herein shall have the same meanings as those defined in the aforesaid documents.

SUPPLEMENTAL AGREEMENT FOR THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF KIMREE, INC.

The Board announces that, on 15 December 2016 (after trading hours), the Company entered into a supplemental agreement to the Acquisition Agreement (the “**Acquisition Supplemental Agreement**”) with the Vendors and Warrantors to clarify the meaning of financial year in certain clauses of the Acquisition Agreement. Financial years were mentioned in relation to the payment of consideration and profit guarantee of the Vendors. The parties acknowledge that “financial year” does not mean calendar year, instead it means a period of 12 months commencing from the Completion of the Acquisition. As the Acquisition was completed in May 2016, the parties confirm that the financial years in respect of 2016, 2017 and 2018 as referred to in the Acquisition Agreement shall commence from 1 May and end on 30 April of the next year.

Save as disclosed above, all the terms and conditions of the Acquisition Agreement shall remain unchanged and in full force and effect and binding on the parties. In case of any conflicts or inconsistency between the terms of the Acquisition Agreement and the Acquisition Supplemental Agreement, the terms of the Acquisition Supplemental Agreement and the arrangements stipulated or contemplated therein shall prevail.

FOUR SUPPLEMENTAL AGREEMENTS FOR THE BUSINESS TRANSFERS

The Board announces that, on 15 December 2016 (after trading hours), the Company entered into four supplemental agreements (the “**Business Transfers Supplemental Agreements**”) with the respective Vendors and warrantors to the Agreements to amend the meaning of “Relevant Financial Years”. Financial Years were mentioned in relation to the payment of consideration and profit guarantee of the Vendors.

First Business Transfers Supplemental Agreement

Pursuant to the First Agreement, the commencement dates of the “Relevant Financial Years” were the First Agreement Completion Date and its first anniversary date, second anniversary date and third anniversary date. By the supplemental agreement, the commencement dates of the “Relevant Financial Years” were changed, such that its term refers to the period from 1 July 2016 to 30 June 2017, from 1 July 2017 to 30 June 2018 and from 1 July 2018 to 30 June 2019.

Second Business Transfers Supplemental Agreement

Pursuant to the Second Agreement, the commencement dates of the “Relevant Financial Years” were the Second Agreement Completion Date and its first anniversary date, second anniversary date and third anniversary date. By the supplemental agreement, the commencement dates of the “Relevant Financial Years” were changed, such that its term refers to the period from 1 July 2016 to 30 June 2017, from 1 July 2017 to 30 June 2018 and from 1 July 2018 to 30 June 2019.

Third Business Transfers Supplemental Agreement

Pursuant to the Third Agreement, the commencement dates of the “Relevant Financial Years” were the Third Agreement Completion Date and its first anniversary date, second anniversary date and third anniversary date. By the supplemental agreement, the commencement dates of the “Relevant Financial Years” were changed, such that its term refers to the period from 1 July 2016 to 30 June 2017, from 1 July 2017 to 30 June 2018 and from 1 July 2018 to 30 June 2019.

Fourth Business Transfers Supplemental Agreement

Pursuant to the Fourth Agreement, the commencement dates of the “Relevant Financial Years” were the Fourth Agreement Completion Date and its first anniversary date and second anniversary date. By the supplemental agreement, the commencement dates of the “Relevant Financial Years” were changed, such that its term refers to the period from 1 September 2016 to 31 August 2017 and from 1 September 2017 to 31 August 2018.

Save as disclosed above, all the terms and conditions of the Agreements shall remain unchanged and in full force and effect and binding on the parties. In case of any conflicts or inconsistency between the terms of the Agreements and the Business Transfers Supplemental Agreements, the terms of the Business Transfers Supplemental Agreements and the arrangements stipulated or contemplated therein shall prevail.

By order of the Board of
China Flavors and Fragrances Company Limited
Wang Ming Fan
Chairman

Hong Kong, 15 December 2016

As at the date of this announcement, the Board comprises seven Directors, namely Mr. Wang Ming Fan, Mr. Li Qing Long and Mr. Qian Wu as executive Directors, Ms. Sy Wai Shuen as non-executive Director and Mr. Leung Wai Man, Roger, Mr. Ng Kwun Wan and Mr. Zhou Xiao Xiong as independent non-executive Directors.