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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)

**UPDATE ON VARIOUS GUARANTEES  
IN RELATION TO**

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

Reference is made to (i) 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 Kimree, Inc.; and (ii) the announcement of the Company dated 26 April 2016 and the Company’s circular dated 21 June 2016 in relation to the entering into the Agreements with four Vendors in relation to the four separate Business Transfers; and the Company’s further announcement dated 15 December 2016 in relation to the aforesaid items (i) and (ii). Unless otherwise stated herein, capitalized terms used herein shall have the same meanings as those defined in the aforesaid documents.

**PROFIT GUARANTEE OF THE VENDORS OF KIMREE, INC.**

In accordance with the acquisition agreement in relation to the acquisition of the entire issued share capital of Kimree, Inc. (“**Kimree**”), there were profit guarantees of the vendors jointly and severally in respect of the first three financial years of Kimree following the completion of acquisition by the Company and there are balances of considerations to be paid by the Company to the Vendors upon the achievement of the profit guarantee of each relevant financial year respectively.

The Board is pleased to announce that the guaranteed profit of Kimree for the first financial year following the completion of acquisition by the Company have been fulfilled and the relevant amount of RMB41,208,800 out of the balance considerations will be paid to the Vendors in accordance with the acquisition agreement by the end of the year.

## **VARIOUS GUARANTEES OF THE VENDORS OF THE BUSINESS TRANSFERS**

In accordance with the Agreements in relation to the Business Transfers, there were various respective guarantees of the Vendors in terms of revenue, net profit and the percentage of cost of sales of the total revenue for the first two or three (as the case may be) financial years to be achieved by each of the Business Transfers following the separate completion of acquisition of each of the Business Transfers by the Company and there are balances of considerations to be paid by the Company to the Vendors upon the achievement of the various guarantees of each financial year respectively.

The Board is pleased to announce that the various guarantees of the Vendors for the respective first financial year have been fulfilled and the subject amounts out of the balance considerations in the amounts of RMB10,000,000 to the First Vendor, RMB10,000,000 to the Second Vendor, RMB8,000,000 to the Third Vendor and RMB 20,000,000 to the Fourth Vendor will be made by the Company in accordance with the Agreements by the end of the year.

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

Hong Kong, 4 June 2018

*As at the date of this announcement, the executive directors of the Company are Mr. Wang Ming Fan, Mr. Li Qing Long and Mr. Yang Ying Chun; the non executive director of the Company is Ms. Sy Wai Shuen and the independent non-executive directors of the Company are Mr. Leung Wai Man, Roger, Mr. Ng Kwun Wan and Mr. Zhou Xiao Xiong.*