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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)

ANNOUNCEMENT 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 announcements dated 15 December 2016 and 4 June 2018 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, not less than RMB72,000,000, for the second financial year for the period from 1 May 2017 to 30 April 2018 following the completion of acquisition by the Company have been fulfilled and the relevant amount of RMB49,450,500 out of the balance considerations is expected to be paid to the Vendors in accordance with the acquisition agreement by the end of the year on or before 31 December 2019.

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 and net profit 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 revenue and profit guarantees of the Vendors for the period from 1 July 2017 to 30 June 2018 and/or from 1 September 2017 to 31 August 2018 (details of which are stated in the following table) have been fulfilled.

Details of the various revenue and profit guarantees of the Vendors:

	<i>Revenue Guarantees</i>	<i>Profit Guarantees</i>
The First Subject Business	Not less than RMB 60 million	Not less than RMB 27 million
The Second Subject Business	Not less than RMB 60 million	Not less than RMB 27 million
The Third Subject Business	Not less than RMB 45 million	Not less than RMB 20 million
The Fourth Subject Business	Not less than RMB 50 million	Not less than RMB 23 million

In this connection, 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 is expected to be paid by the Company in accordance with the Agreements by the end of the year on or before 31 December 2019.

By order of the Board

China Flavors and Fragrances Company Limited

WANG Ming Fan

Chairman

Hong Kong, 19 September 2019

As at the date of this announcement, the Board comprises six Directors, namely Mr. Wang Ming Fan, Mr. Li Qing Long and Mr. Yang Ying Chun as executive Directors, and Mr. Leung Wai Man, Roger, Mr. Ng Kwun Wan and Mr. Zhou Xiao Xiong as independent non-executive Directors.