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## **Jiangsu Innovative Ecological New Materials Limited**

**江蘇創新環保新材料有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2116)**

### **VOLUNTARY ANNOUNCEMENT**

This announcement is made by Jiangsu Innovative Ecological New Materials Limited (the “**Company**”) on a voluntary basis.

Reference is made to the “Business - Business Activities in Countries subject to International Sanctions” section of the prospectus of the Company dated 19 March 2018 (the “**Prospectus**”) and the annual report of the Company dated 26 April 2018 (the “**Annual Report**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as defined in the Prospectus.

During 2013 and 2014, our Group received certain U.S. dollar payments from two customers in relation to our sales to Sudan which were processed in the U.S. financial system before receipt by our Group, and that appeared to be potential violations of the then Sudanese sanctions imposed by the U.S. Department of the Treasury’s Office of Foreign Assets Control (“**OFAC**”). Upon the advice of our International Sanctions Legal Advisers, we submitted a voluntary self-disclosure (“**VSD**”) to OFAC in light of the potential violations on 19 September 2017.

On 11 July 2018, we received a cautionary letter dated 29 June 2018 issued by OFAC (“**Cautionary Letter**”), which states that OFAC decided to address the matter raised in the VSD by issuing the Cautionary Letter to give us a cautionary reminder instead of pursuing a civil monetary penalty. The Cautionary Letter represents a final enforcement response to the apparent violations mentioned above.

The Board is of the view that receiving the Cautionary Letter will not impact our business and financial performance.

By Order of the Board  
**Jiangsu Innovative Ecological New Materials Limited**  
**Ge Xiaojun**  
*Chairman and Chief Executive Officer*

Hong Kong, 13 July 2018

*As at the date of this announcement, the Board comprises five executive directors, namely Mr. Ge Xiaojun, Ms. Gu Jufang, Mr. Huang Lei, Mr. Jiang Caijun and Mr. Fan Yaqiang; one non-executive director, namely Mr. Gu Yao; and three independent non-executive directors, namely Mr. Fan Peng, Mr. Guan Dongtao and Ms. Wu Yan.*