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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Jiangsu Innovative Ecological New Materials Limited**, you should at once hand this circular, together with the accompanying form of proxy to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)**

**(1) PROPOSED RE-ELECTION OF RETIRING DIRECTORS**  
**(2) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE  
NEW SHARES AND REPURCHASE SHARES**  
**(3) DECLARATION OF FINAL DIVIDEND**  
**AND**  
**(4) NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the AGM to be held at the Company's headquarters and principal place of business in the PRC, at No. 16 West Kaixuan Road, Economic Development Zone, Yixing City, Jiangsu Province, PRC on Thursday, 28 May 2020 at 2:00 p.m. is set out on pages 15 to 19 to this circular. A form of proxy for use at the AGM is also enclosed. Such form of proxy is also published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.jsxsh.cn>), respectively.

Whether or not you are able to attend the AGM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the AGM (or any adjournment thereof).

Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the AGM if they so wish.

### **PRECAUTIONARY MEASURES FOR THE AGM**

Practical measures will be taken to try to avoid the spread of COVID-19 at the AGM, including:

- Compulsory temperature checks and health declarations for all attendees, including directors and shareholders
- Prohibition from attendance at the AGM if the attendee has a fever. Persons exhibiting flulike symptoms may also be refused admittance to the venue of the AGM
- Compulsory wearing of surgical face masks throughout the AGM
- Maintaining proper distance between seats
- No refreshments will be served at the AGM

Any person who does not comply with the precautionary measures may be denied entry into the venue of the AGM. The Company reminds Shareholders that they may appoint the Chairman of the meeting as their proxy to vote on the relevant resolutions at the AGM as an alternative to attend the AGM in person.

25 April 2020

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“AGM”	the annual general meeting of the Company to be held at the Company’s headquarters and principal place of business in the PRC, at No. 16 West Kaixuan Road, Economic Development Zone, Yixing City, Jiangsu Province, PRC on Thursday, 28 May 2020 at 2:00 p.m.
“Articles of Association”	the articles of association of the Company and as amended from time to time
“Board”	the board of Directors
“China” or “PRC”	the People’s Republic of China, but for the purpose of this circular and for geographical reference only and except where the context requires, references in this circular to “China” and the “PRC” do not apply to Taiwan, Macau and Hong Kong
“Company”	Jiangsu Innovative Ecological New Materials Limited (江蘇創新環保新材料有限公司), a company incorporated in the Cayman Islands as an exempted company with limited liability on 6 July 2017, the Shares of which are listed on the main board of Hong Kong Stock Exchange (Stock Code: 2116)
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules and, unless the context requires otherwise, refers to Mr. Ge, Ms. Gu and Innovative Green Holdings
“Director(s)”	the director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to authorise them to extend the limit of the Issue Mandate granted by adding it to the total number of Shares repurchased by the Company under the Repurchase Mandate
“Group” or “our”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China

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## DEFINITIONS

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“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Innovative Green Holdings”	Innovative Green Holdings Limited, which is owned as to 50% by Mr. Ge and 50% by Ms. Gu, and was directly interested in approximately 75% of the issued Shares as at the Latest Practicable Date
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to authorise them to allot, issue and otherwise deal with additional Shares up to a maximum of 20% of the total number of the issued Share as at the date of the AGM
“Latest Practicable Date”	15 April, 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Mr. Ge”	Mr. Ge Xiaojun (葛曉軍), the chairman, an executive Director, the chief executive officer of the Company and one of our Controlling Shareholders and Ms. Gu’s spouse
“Ms. Gu”	Ms. Gu Jufang (顧菊芳), an executive Director of the Company and one of our Controlling Shareholders and Mr. Ge’s spouse
“Notice of AGM”	the notice of AGM as set out on pages 15 to 19 of this circular
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to authorise them to repurchase up to a maximum of 10% of the total number of the issued Share as at the date of the AGM
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) with nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers and Share Buybacks issued by the SFC, as amended, supplemented or otherwise modified from time to time
“%”	per cent.

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LETTER FROM THE BOARD

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J S C X

**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)**

***Executive Directors***

Mr. Ge Xiaojun (*chairman and chief executive officer*)  
Ms. Gu Jufang  
Mr. Huang Lei  
Mr. Jiang Caijun  
Mr. Fan Yaqiang

***Non-executive Director***

Mr. Gu Yao

***Independent Non-executive Directors***

Mr. Fan Peng  
Mr. Guan Dongtao  
Ms. Wu Yan

***Registered Office***

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

***Principal place of business and  
headquarters in the PRC***

No. 16 West Kaixuan Road  
Economic Development Zone  
Yixing City  
Jiangsu Province  
PRC

***Principal place of business in  
Hong Kong***

40/F, Sunlight Tower  
248 Queen's Road East  
Wanchai  
Hong Kong

25 April 2020

*To the Shareholders*

Dear Sir or Madam,

**(1) PROPOSED RE-ELECTION OF RETIRING DIRECTORS  
(2) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE  
NEW SHARES AND REPURCHASE SHARES  
(3) DECLARATION OF FINAL DIVIDEND  
AND  
(4) NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The Directors will seek the approvals of the Shareholders at the AGM for, among other things: (i) the re-election of retiring Directors; (ii) the Issue Mandate; (iii) the Repurchase Mandate; (iv) the Extension Mandate and (v) the declaration of final dividend. The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the AGM to be held on Thursday, 28 May 2020 at 2:00 p.m. and to provide the Notice of AGM.

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## **LETTER FROM THE BOARD**

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### **2. RE-ELECTION OF RETIRING DIRECTORS**

In accordance with Article 84 of the Articles of Association, Mr. Fan Peng, Mr. Guan Dongtao and Ms. Wu Yan shall retire from office at the AGM. All of the above retiring Directors, being eligible, will offer themselves for re-election as the Directors at the AGM.

Details of the retiring Directors for re-election are set out in Appendix I to this circular.

At the AGM, the re-election of the retiring Directors will be voted on individually by a separate resolution as set out in the Notice of AGM.

### **3. PROCEDURE AND PROCESS FOR NOMINATION OF DIRECTORS**

The nomination committee will recommend to the Board for the appointment of a Director including an independent non-executive Director in accordance with the following selection criteria and nomination procedures:

- (a) identify individuals who are suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships, having due regard to the Company's Board Diversity Policy, the requirements in the Company's constitution, the Listing Rules and applicable laws and regulations, and the relevant candidates' contributions to the Board in terms of qualifications, skills, experiences, independence and gender diversity;
- (b) assess the independence of independent non-executive Director to determine their eligibility with reference to the factors set out in Rule 3.13 of the Listing Rules and any other factors deemed appropriate by the nomination committee or the Board. If a proposed independent non-executive Director will be holding their seventh (or more) listed company directorship, to assess his/her ability to devote sufficient time to the Board matters; and
- (c) develop the criteria for identifying and assessing the qualifications of and evaluating candidates for directorship, including but not limited to evaluating the balance of skills, knowledge and experience on the Board, and in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment.

### **4. RECOMMENDATION OF THE NOMINATION COMMITTEE**

The nomination committee has considered Mr. Fan Peng, Mr. Guan Dongtao and Ms. Wu Yan's extensive experience, their working profile and other experience and factors as set out in their biographical details in Appendix I to this circular. The nomination committee is satisfied that Mr. Fan, Mr. Guan and Ms. Wu have the required character, integrity and

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## LETTER FROM THE BOARD

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experience to continuously fulfill their roles as independent non-executive Directors effectively. The Board believed that their re-election as the independent non-executive Directors would be in the best interests of the Company and its Shareholders as a whole.

Furthermore, Mr. Fan, Mr. Guan and Ms. Wu, being independent non-executive Directors eligible for re-election at the AGM, have each made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. During their appointment, they have demonstrated their abilities to provide an independent view to the Company's matters. The nomination committee is of the view that they are able to continue to fulfill their roles as independent non-executive Directors and thus recommends them to the Board for it to propose to Shareholders for re-election at the AGM.

### 5. GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES

To seize market opportunities, ensure flexibility to issue new Shares and further provide financial support for the strategic development of the Company, ordinary resolutions will be proposed at the AGM to grant to the Directors a general mandates:

- (a) to allot, issue and deal with Shares with a total number of not exceeding 20% of the total number of the issued Shares as at the date of passing of the proposed resolution at the AGM; and
- (b) to repurchase Shares with a total number of not exceeding 10% of the total number of the issued Shares as at the date of passing the proposed resolution at the AGM,

and to authorise an extension of the limit of the Issue Mandate granted by adding it to the total number of Shares repurchased by the Company under the Repurchase Mandate.

The Issue Mandate and the Repurchase Mandate shall expire at the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the date by which the Company is required by the applicable law or Articles of Association to hold the next annual general meeting of the Company; or
- (c) when varied or revoked by an ordinary resolution of the Shareholders in a general meeting.

#### **Issue Mandate**

The Company had in issue 480,000,000 Shares as at the Latest Practicable Date. Subject to the passing of the proposed resolution approving the Issue Mandate and in accordance with the terms therein, on the basis of 480,000,000 existing Shares in issue and assuming that such number of the issued Shares remains the same at the date of passing the proposed resolution,

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## LETTER FROM THE BOARD

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the Company could under the Issue Mandate allot, issue and deal with up to 96,000,000 new Shares, representing 20% of the total number of the issued Shares at the date of passing of the resolution approving the Issue Mandate.

As at the Latest Practicable Date, the Directors have no immediate plan to issue any new Shares under the Issue Mandate.

Details of the Issue Mandate are set out in paragraph 4 of the Notice of AGM.

### **Repurchase Mandate**

Subject to the passing of the proposed resolution approving the Repurchase Mandate and in accordance with the terms therein, on the basis of 480,000,000 existing Shares in issue and assuming that such number of the issued Shares remains the same at the date of passing the proposed resolution, the Company could under the Repurchase Mandate repurchase up to 48,000,000 Shares, representing 10% of the total number of the issued Shares at the time of passing of the resolution approving the Repurchase Mandate.

An explanatory statement as required under the Listing Rules to be sent to the Shareholders with respect to the Repurchase Mandate is set out in Appendix II to this circular. The explanatory statement contains all information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the relevant resolution.

As at the Latest Practicable Date, the Directors have no immediate plan to repurchase any Shares under the Repurchase Mandate.

Details of the Repurchase Mandate are set out in paragraph 5 of the Notice of AGM.

The above resolutions were considered and approved by the Board on 30 March 2020 and are hereby proposed at the AGM for Shareholders' consideration and approval.

### **6. FINAL DIVIDEND**

The Board has recommended the payment of a final dividend of HK\$0.01 per Share for the year ended 2019 to Shareholders whose names appear on the Company's register of members on Wednesday, 10 June 2020 (the "**Proposed Final Dividend**"). An ordinary resolution will be proposed at the AGM for Shareholders' consideration and approval. Subject to approval of Shareholders at the AGM, the Proposed Final Dividend will be paid on or around Wednesday, 24 June 2020.



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## LETTER FROM THE BOARD

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### 7. ANNUAL GENERAL MEETING

The Notice of AGM for the purpose of considering and approving, among other things, (i) the re-election of Directors; (ii) the Issue Mandate; (iii) the Repurchase Mandate; (iv) the Extension Mandate; and (v) the declaration of final dividend is set out on pages 15 to 19 to this circular.

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.jscxsh.cn](http://www.jscxsh.cn)) respectively. Whether or not you are able to attend the AGM in person, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the AGM (or any adjournment thereof).

Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the AGM if they so wish.

### 8. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. As such, the chairman of the AGM will exercise his power under the Articles of Association to demand a poll for all resolutions proposed at the AGM.

An announcement on the poll results will be made by the Company after the AGM on websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.jscxsh.cn](http://www.jscxsh.cn)) respectively in due course.

### 9. CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 22 May 2020 to Thursday, 28 May 2020, both days inclusive, during which period no transfer of Shares will be registered. In order to be entitled to attend and vote at the AGM, unregistered Shareholders should ensure that all transfers of Shares accompanied by the relevant Share certificates and properly completed transfer forms must be lodged for registration with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Thursday, 21 May 2020.

For the purpose of determining the entitlement to the Proposed Final Dividend, the register of members of the Company will be closed from Friday, 5 June 2020 to Wednesday, 10 June 2020, both days inclusive, during which period no transfers of Shares will be registered. In order to be entitled to the Proposed Final Dividend, all properly completed transfer forms accompanied by the relevant Share certificates must be lodged for registration

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## LETTER FROM THE BOARD

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with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Thursday, 4 June 2020.

### 10. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### 11. RECOMMENDATION

The Directors consider that all resolutions set out in the Notice of AGM for consideration and approval by Shareholders are in the interests of our Group and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

### 12. MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully,

By order of the Board

**Jiangsu Innovative Ecological New Materials Limited**

**Ge Xiaojun**

*Chairman and Chief Executive Officer*

*The biographical details of the Directors proposed to be re-elected at the AGM are set out as follows:*

**INDEPENDENT NON-EXECUTIVE DIRECTORS**

**Mr. Fan Peng (樊鵬)**, aged 37, was appointed as our independent non-executive Director on 7 March 2018. Mr. Fan has over ten years of experience in accounting and corporate financing. Since August 2018, Mr. Fan has been the chief strategy officer of Aesthetic Medical International Holdings Group Limited, a company listed on NASDAQ (stock code: AIH). Prior to that, Mr. Fan served as the chief financial officer of CashBUS (Cayman) Limited from October 2017 to July 2018. Prior to that, he served as the head of investor relations and capital markets of Dali Foods Group Company Limited, a company listed on the Stock Exchange (stock code: 3799), and was responsible for investor relations, corporate development, mergers and acquisitions. Before that, Mr. Fan was the vice president of the corporate finance division of the Hong Kong Branch of Deutsche Bank AG. From May 2007 to December 2007, he served as an analyst in the investment banking department of HSBC Markets (Asia) Limited. Mr. Fan served as a business analyst in the investment banking group of Macquarie Investment Advisory (Beijing) Co, Ltd. (麥格理投資顧問(北京)有限公司) from July 2006 to May 2007.

Mr. Fan graduated from Tsinghua University (清華大學), with a bachelor's degree in accounting and master's degree in business administration in July 2004 and July 2006, respectively.

Mr. Fan has entered into a service contract with the Company with a term of 3 years. For the year ended 31 December 2019, Mr. Fan received total emoluments of HK\$120,000 which was determined by the Board on the basis of Mr. Fan's performance, responsibility, workload and the time devoted to our Group, as well as the current market conditions.

Save as disclosed above, as at the Latest Practicable Date, Mr. Fan (i) has not held any directorship in any public listed companies in the past three years; (ii) does not or is not deemed to have any interest or short position (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) in any Shares, underlying Shares or debentures of the Company; (iii) does not have any relationship with any Directors, senior management of the Company, substantial Shareholders or Controlling Shareholders; and (iv) does not hold any other positions within our Group.

Mr. Fan has confirmed that there is no other matter that needs to be brought to the attention of the Shareholders and there is no other information that should be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

**Mr. Guan Dongtao (管東濤)**, aged 48, was appointed as our independent non-executive Director on 7 March 2018. Mr. Guan has over 25 years of experience in accounting and corporate financing. Mr. Guan served as (i) the audit manager of Jiangsu Yixing Accounting Firm (江蘇宜興會計事務所) from September 1993 to August 1999; (ii) the financial manager of Jiangsu Hengxin Technology Co., Ltd (江蘇亨鑫科技有限公司) from August 1999 to August 2001; (iii) the financial manager of Shunte Electronic Co., Ltd. (順特電氣有限公司) from October 2001 to August 2007; (iv) the chief accountant of Qianjiang Electronic Group Co., Ltd. (錢江電氣集團股份有限公司) from August 2007 to July 2008; (v) the financial manager of Jiangsu Junzhi Jishu Co., Ltd. (江蘇俊知技術有限公司) from September 2008 to December 2012; and (vi) the chief financial officer of Flying Technology Co., Ltd. (展鵬科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603488) from December 2012 to May 2019. Since June 2019 till present, Mr. Guan is the general manager of Dongying Chuangfu Technology (Shenzhen) Co. Ltd. (東尹創富科技(深圳)有限公司).

Mr. Guan graduated from Soochow University (蘇州大學) in June 1993, with a bachelor's degree in economics (major in accounting). Mr. Guan was qualified as a certified public accountant of the People's Republic of China in 1994 and obtained a professional accounting certificate in 1998.

Mr. Guan has entered into a service contract with the Company with a term of 3 years. For the year ended 31 December 2019, Mr. Guan received total emoluments of HK\$120,000 which was determined by the Board on the basis of Mr. Guan's performance, responsibility, workload and the time devoted to our Group, as well as the current market conditions.

Save as disclosed above, as at the Latest Practicable Date, Mr. Guan (i) has not held any directorship in any public listed companies in the past three years; (ii) does not or is not deemed to have any interest or short position (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) in any Shares, underlying Shares or debentures of the Company; (iii) does not have any relationship with any Directors, senior management of the Company, substantial Shareholders or Controlling Shareholders; and (iv) does not hold any other positions within our Group.

Mr. Guan has confirmed that there is no other matter that needs to be brought to the attention of the Shareholders and there is no other information that should be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

**Ms. Wu Yan (吳燕)**, aged 43, was appointed as our independent non-executive Director on 7 March 2018. Ms. Wu has over 17 years of experience serving as a lawyer. Ms. Wu has served as a director in Jiangsu Manxiu Law office (Yixing) (江蘇漫修(宜興)律師事務所) since February 2008. She also worked at Jiangsu Jingxi Law office (江蘇荊溪律師事務所) from January 2001 to December 2007. Ms. Wu graduated from National Judges College (國家法官學院), with a college diploma of economics law in July 2000. Ms. Wu was qualified as a lawyer of the PRC in June 2001. She served as an independent non-executive director of Jiangsu Zhongchao Holding Co., Ltd. (江蘇中超控股有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002471) from March 2015 to March 2018, and has been an independent non-executive director of Jiangsu Gaoke Petrochemical Company Limited (江蘇高科石化股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002778) since March 2017.

Ms. Wu has entered into a service contract with the Company with a term of 3 years. For the year ended 31 December 2019, Ms. Wu received total emoluments of HK\$120,000 which was determined by the Board on the basis of Ms. Wu's performance, responsibility, workload and the time devoted to our Group, as well as the current market conditions.

Save as disclosed above, as at the Latest Practicable Date, Ms. Wu (i) has not held any directorship in any public listed companies in the past three years; (ii) does not or is not deemed to have any interest or short position (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) in any Shares, underlying Shares or debentures of the Company; (iii) does not have any relationship with any Directors, senior management of the Company, substantial Shareholders or Controlling Shareholders; and (iv) does not hold any other positions within our Group.

Ms. Wu has confirmed that there is no other matter that needs to be brought to the attention of the Shareholders and there is no other information that should be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

*The following is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the AGM in relation to the granting of the Repurchase Mandate.*

## 1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 480,000,000 Shares. Subject to the passing of the resolution set out in paragraph 5 of the Notice of AGM in respect of the granting of the Repurchase Mandate and on the basis that no further Shares are issued, allotted or repurchased before the AGM, the Company would be allowed under the Repurchase Mandate to repurchase, during the period in which the Repurchase Mandate remains in force, a maximum of 48,000,000 Shares, representing 10% of the total number of the issued Shares as at the date of the AGM.

## 2. REASONS FOR REPURCHASE OF SHARES

The Directors believe that it is in the best interests of the Company and its Shareholders as a whole for the Directors to have a general authority from the Shareholders to enable the Company to repurchase Shares in the market. Such repurchases, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or the earnings per Share and will only be made where the Directors believe such repurchases will benefit the Company and Shareholders as a whole.

## 3. SHARE PRICES

The highest and lowest prices per Share at which the Shares were traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date were as follows:

	<b>Highest</b> (HK\$)	<b>Lowest</b> (HK\$)
<b>2019</b>		
April	0.54	0.475
May	0.495	0.415
June	0.475	0.40
July	0.43	0.35
August	0.43	0.33
September	0.43	0.36
October	0.405	0.355
November	0.38	0.325
December	0.36	0.31

	<b>Highest</b> <i>(HK\$)</i>	<b>Lowest</b> <i>(HK\$)</i>
<b>2020</b>		
January	0.355	0.32
February	0.35	0.30
March	0.34	0.27
April (up to the Latest Practicable Date)	0.34	0.275

#### 4. SOURCE OF FUNDS

Repurchases must be funded out of funds legally available for such purpose and in accordance with the Articles of Association, the laws of the Cayman Islands and the Listing Rules. The Company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. Under the Cayman Islands laws, any repurchases by the Company may be made out of profits of the Company, out of the Company's share premium account or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase or, if so authorised by the Articles of Association and subject to the provisions of the Cayman Companies Law, out of capital.

Any premium payable on a redemption or repurchase over the par value of the Shares to be repurchased must be provided for out of the profits of the Company or from sums standing to the credit of the share premium account of the Company or, if authorised by the Articles of Association and subject to the provisions of the Cayman Companies Law, out of capital.

The Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on our working capital and/or gearing position of the Group, as disclosed in the audited consolidated financial statements of our Group as of 31 December 2019, being the date to which the latest published audited consolidated financial statements of our Group. The Directors, however, do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on our working capital requirements or gearing levels which in the opinion of the Directors are from time to time appropriate for our Group.

#### 5. TRADING RESTRICTIONS

The total number of Shares which we may repurchase is up to 10% of the total number of the issued Shares. The Company may not issue or announce a proposed issue of Shares for a period of 30 days immediately following a repurchase of Shares, without the prior approval of the Stock Exchange. The Company is also prohibited from repurchasing Shares on the Stock Exchange if the repurchase would result in the number of listed Shares which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange. The Company is required to procure that the broker appointed by the Company to effect a repurchase of Shares discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require.

As required by the prevailing requirements of the Listing Rules, the Company shall not purchase its Shares on the Stock Exchange if the purchase price is higher by 5% or more than the average closing market price for the five preceding trading days on which its Shares were traded on the Stock Exchange.

## 6. GENERAL

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) currently intends to sell any Shares to the Company or its subsidiaries.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Articles of Association, the Listing Rules and the applicable laws and regulations of the Cayman Islands. The Company has not repurchased any Shares since the last annual general meeting of the company held on 29 May 2019 up to the Latest Practicable Date.

If, as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights is increased, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert may obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code unless a whitewash waiver is obtained. Save as aforesaid, the Directors are not aware of any consequence which would arise under the Takeovers Code as a result of a repurchase upon exercise of the Repurchase Mandate.

Any repurchase of Shares which results in the number of Shares held by the public being reduced to less than 25% of the Shares then in issue could only be implemented with the approval of the Stock Exchange to waive the Listing Rules requirements regarding the public shareholding referred to above. It is believed that a waiver of this provision would not normally be given other than in exceptional circumstances.

No core connected person (as defined in the Listing Rules) has notified the Company that he or she has a present intention to sell Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

## 7. DISCLOSURE OF INTERESTS AND MINIMUM PUBLIC HOLDING

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, the substantial Shareholders having interests in 10% or more of the issued share capital of the Company were:

Name of Shareholder	Approximate% shareholding		If Repurchase Mandate is exercised in full
	Number of Shares held	As at the Latest Practicable Date	
Mr. Ge	360,000,000	75.0%	83.3%
Ms. Gu	360,000,000	75.0%	83.3%
Innovative Green Holdings	360,000,000	75.0%	83.3%

The Directors have no intention to exercise the Repurchase Mandate to such an extent that may result in the public shareholding of less than 25% of the issued share capital of the Company.



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## NOTICE OF ANNUAL GENERAL MEETING

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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)**

#### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “**AGM**”) of Jiangsu Innovative Ecological New Materials Limited (the “**Company**”) will be held at the Company’s headquarters and principal place of business in the PRC, at No. 16 West Kaixuan Road, Economic Development Zone, Yixing City, Jiangsu Province, PRC, on Thursday, 28 May 2020 at 2:00 p.m. for considering and, if thought fit, passing, with or without modifications, the following resolutions as ordinary resolutions of the Company:

#### ORDINARY RESOLUTIONS

1. To receive and approve the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors of the Company (the “**Director(s)**”) and the auditor of the Company for the year ended 31 December 2019;
2. (a) To re-elect the following retiring Directors:
  - (i) Mr. Fan Peng as an independent non-executive Director.
  - (ii) Mr. Guan Dongtao as an independent non-executive Director.
  - (iii) Ms. Wu Yan as an independent on-executive Director.
- (b) To authorise the board of Directors of the Company (the “**Board**”) to fix the respective Directors’ remuneration;
3. To re-appoint KPMG, Certified Public Accountants, as the auditors of the Company and to authorise the Board to fix their remuneration;

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## NOTICE OF ANNUAL GENERAL MEETING

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4. To consider and, if thought fit, to pass (with or without modifications) the following resolution as an ordinary resolution:

**“THAT:**

- (a) subject to paragraph (c) below, a general mandate be and is hereby generally and unconditionally granted to Directors to exercise during the Relevant Period (as defined in paragraph (d) below) all the powers of the Company to allot, issue and deal with additional shares in the Company and to make or grant offers, agreements, options, warrants or other securities which would or might require the exercise of such powers;
- (b) the mandate in paragraph (a) shall authorise the Directors during the Relevant Period (as defined in paragraph (d) below) to make or grant offers, agreements, options, warrants and other securities which would or might require the exercise of such powers after the end of the Relevant Period (as defined in paragraph (d) below);
- (c) the aggregate number of shares of the Company allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Directors pursuant to the mandate in paragraph (a), otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below); or (ii) any option scheme or similar arrangement for the time being adopted by the Company for the purpose of granting or issuing shares or rights to acquire shares of the Company to the Directors, employees, officers, agents, consultants or representatives of the Company and/or any of its subsidiaries; or (iii) any scrip dividend or similar arrangement pursuant to the articles of association of the Company from time to time; or (iv) the exercise of any rights of subscription or conversion attaching to any warrants or other securities which are convertible into shares of the Company from time to time; or (v) a specific authority granted by the shareholders in general meeting, shall not exceed 20% of the aggregate number of the issued shares of the Company as at the date of the passing of this resolution and the said mandate shall be limited accordingly; and
- (d) for the purpose of this resolution:

**“Relevant Period”** means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the date by which the next annual general meeting of the Company is required by the Company’s articles of association or any applicable laws of the Cayman Islands to be held; or

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## NOTICE OF ANNUAL GENERAL MEETING

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- (iii) the date on which authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of shares or offer or issue of options, warrants or other securities giving the right to subscribe for shares of the Company, open for a period fixed by the Directors to holders of shares whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities entitled to the offer) on a fixed record date in proportion to their then holdings of such shares of the Company (or, where appropriate, such other securities), subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of or any recognized regulatory body or any stock exchange in, any territory outside Hong Kong.”

- 5. To consider and, if thought fit, to pass (with or without amendments) the following resolution as an ordinary resolution:

“**THAT:**

- (a) a general mandate be and is hereby generally and unconditionally given to the Directors of the Company to exercise during the Relevant Period (as defined in paragraph (b) below) all the powers of the Company to repurchase or otherwise acquire shares of the Company in accordance with all applicable laws of Cayman Islands and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, provided that the aggregate number of shares so repurchased or otherwise acquired shall not exceed 10% of the aggregate number of the issued shares of the Company as at the date of the passing of this resolution;
- (b) for the purpose of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the date by which the next annual general meeting of the Company is required by the Company’s articles of association or any applicable laws of the Cayman Islands to be held; or
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

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## NOTICE OF ANNUAL GENERAL MEETING

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6. To consider and, if thought fit, to pass (with or without amendments) the following resolution as an ordinary resolution:

“**THAT**, conditional upon the passing of the resolutions set out in paragraphs 4 and 5 of the notice of the AGM, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with shares of the Company pursuant to the resolution set out in paragraph 4 of the notice of the AGM be and is hereby extended by the addition thereto of such number of shares of the Company representing the aggregate number of shares of the Company repurchased or otherwise acquired by the Company pursuant to the authority granted to the Directors under the resolution set out in paragraph 5 of the notice of the AGM, provided that such number of shares shall not exceed 10% of the total number of issued shares of the Company as at the date of the passing of this resolution.”

7. To declare a final dividend of HK\$0.01 per share for the year ended 31 December 2019.

By Order of the Board

**Jiangsu Innovative Ecological New Materials Limited**

**GE Xiaojun**

*Chairman and Chief Executive Officer*

Jiangsu Province, PRC, 25 April 2020

*Notes:*

1. A shareholder entitled to attend and vote at the AGM is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not to be a shareholder of the Company.
2. A form of proxy for use at the AGM (or at any adjournment thereof) is despatched together with this notice of meeting. In order to be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be completed and lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the AGM (or any adjournment thereof). Completion and return of the form of proxy will not preclude members from attending and voting at the AGM (or any adjournment thereof), and in such event, the relevant form of proxy shall be deemed revoked.
3. Where there are joint registered holders of any share, any one of such joint holders may attend and vote at the AGM, either in person or by proxy, in respect of such share(s) as if he/she were solely entitled thereto, but if more than one of such joint registered holders are present at the AGM (or any adjournment thereof) (as the case may be), the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
4. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 22 May 2020 to Thursday, 28 May 2020, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the AGM, shareholders must complete and lodge all transfer documents accompanied by the relevant share certificates

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## NOTICE OF ANNUAL GENERAL MEETING

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with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 21 May 2020.

5. For the purpose of determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Friday, 5 June 2020 to Wednesday, 10 June 2020, both days inclusive, during which period no transfer of Shares will be registered. In order to be entitled to the proposed final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Thursday, 4 June 2020.