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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**

Reference is made to the announcement of Jiangsu Innovative Ecological New Materials Limited (the “**Company**”) dated 31 December 2019 (the “**Announcement**”). This announcement is made by the Company on a voluntary basis. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as defined in the Announcement.

The Company hereby announces the following updates concerning the Announcement:

On 6 March 2020, Jiangsu Chuangxin, under the guidance of the related government authority (the Science & Technology Bureau of Yixing City) (宜興市科學技術局), reviewed the application documents submitted in 2019 for “High and New Technology Enterprise” (高新技術企業) qualification, and found out that the cause of Jiangsu Chuangxin’s failure in passing the qualification assessment was that the auditing agency who performed the special audit to Jiangsu Chuangxin’s high-new technology products and research projects did not submit as required its own qualification certificates to the website designated by the related government authority, which led to the non-compliance of Jiangsu Chuangxin’s application documents. Since the Company is fully aware of the reasons of failure in passing the qualification assessment of “High and New Technology Enterprise”, henceforth Jiangsu Chuangxin has withdrawn the Review application and confirmed that it will not be entitled to the preferential corporate income tax rate of 15% as a “High and New Technology Enterprise”, and will be subject to the statutory corporate income tax rate of 25% for the year 2019. This would lead to the increase of the Company’s income tax expenses in 2019 over 2018.

Up to the date of this announcement, Jiangsu Chuangxin has already changed the auditing agency for the special audit and has started the preparations for the application of “High and New Technology Enterprise” qualification for 2020 and will pay special attention to the completeness of its application documents submitted. The board of directors (the “**Board**”) of the Company believes that it is highly likely for Jiangsu Chuangxin to regain the “High and New Technology Enterprise” qualification in 2020.

**Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

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

Jiangsu Province, People's Republic of China, 13 March 2020

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