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Unless otherwise defined in this announcement, terms defined in the prospectus of Fufeng Group Limited (the “Company”) dated 25 January 2007 (the “Prospectus”) have the same meanings when used in this announcement.



Fufeng Group Limited

阜豐集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 546)

EXERCISE OF THE OVER-ALLOTMENT OPTION

The Company announces that the Over-allotment Option granted by the Company referred to in the Prospectus was exercised in full by ABN AMRO Rothschild on behalf of the Joint Global Coordinators on 12 February 2007 in respect of 60,000,000 additional Shares, representing 15% of the Offer Shares initially offered under the Share Offer. The Over-allotment Shares will be issued by the Company at HK\$2.23 per Share (exclusive of brokerage, SFC transaction levy and Stock Exchange trading fee), being the Offer Price per Share under the Share Offer. In order to cover over-allocations in the Placing, ABN AMRO Rothschild had borrowed 60,000,000 Shares from Motivator Enterprises pursuant to the Stock Borrowing Agreement. The Over-allotment Shares will be returned and redelivered to Motivator Enterprises pursuant to the Stock Borrowing Agreement on or before the third business day following the exercise in full of the Over-allotment Option.

The Company announces that the Over-allotment Option granted by the Company referred to in the Prospectus was exercised in full by ABN AMRO Rothschild on behalf of the Joint Global Coordinators on 12 February 2007 in respect of 60,000,000 additional Shares (the “**Over-allotment Shares**”), representing 15% of the Offer Shares initially offered under the Share Offer. The Over-allotment Shares will be issued by the Company at HK\$2.23 per Share (exclusive of brokerage, SFC transaction levy and Stock Exchange trading fee), being the Offer Price per Share under the Share Offer. As disclosed in the Prospectus, the Over-allotment Option is exercisable by ABN AMRO Rothschild on behalf of the Joint Global Coordinators at any time from the date of the International Underwriting Agreement to the date that is 30th day from the date of the Prospectus.

In order to cover over-allocations in the Placing, ABN AMRO Rothschild had borrowed 60,000,000 Shares from Motivator Enterprises pursuant to the Stock Borrowing Agreement entered into between Motivator Enterprises and ABN AMRO Rothschild, details of which are set out in the section “Structure and conditions of the Share Offer” in the Prospectus. The Over-allotment Shares will be returned and redelivered to Motivator Enterprises pursuant to the Stock Borrowing Agreement on or before the third business day following the exercise in full of the Over-allotment Option.

The shareholding structure of the Company immediately before and after the issue of the Over-allotment Shares is and will be as follows:

Name of Shareholders	Before the issue of the Over-allotment Shares		After the issue of the Over-allotment Shares	
	Number of Shares	Approximate percentage of issued share capital	Number of Shares	Approximate percentage of issued share capital
Motivator Enterprises	786,000,000*	49.13	786,000,000	47.35
Ever Soar	205,680,000	12.85	205,680,000	12.39
Excel Energy	64,320,000	4.02	64,320,000	3.87
Hero Elite	72,000,000	4.50	72,000,000	4.34
Advanced Quality	72,000,000	4.50	72,000,000	4.34
Value Partner Limited	80,000,000	5.00	80,000,000	4.82
Other public Shareholders	<u>320,000,000</u>	<u>20.00</u>	<u>380,000,000</u>	<u>22.89</u>
	<u>1,600,000,000</u>	<u>100.00</u>	<u>1,660,000,000</u>	<u>100.00</u>

* These Shares include the 60,000,000 Shares borrowed by ABN AMRO Rothschild pursuant to the Stock Borrowing Agreement.

The Over-allotment Shares represent approximately 3.75% of the issued share capital of the Company as immediately before the issue of the Over-allotment Shares and approximately 3.61% of the issued share capital of the Company as enlarged by the issue of the Over-allotment Shares. Listing of, and permission to deal in, the Over-allotment Shares have already been granted by the Listing Committee of the Stock Exchange.

The Company will receive additional net proceeds of approximately HK\$131.0 million from the issue of the Over-allotment Shares. Out of such proceeds, as to HK\$110.0 million will be used to finance the construction of the Inner Mongolia Plant Phase II and the purchase and installation of production equipment and facilities thereat and as to HK\$21.0 million for general working capital purposes, as described in the section headed “Future plans and use of proceeds” in the Prospectus.

As at the date of this announcement, the executive directors of the Company are Li Xuechun, Wang Longxiang, Wu Xindong, Yan Ruliang, Feng Zhenquan, Xu Guohua, Li Deheng, Li Hongyu and Gong Qingli and the independent non-executive directors are Choi Tze Kit, Sammy, Chen Ning and Liang Wenjun.

By order of the Board

Li Xuechun

Chairman

Hong Kong, 13 February 2007

Please also refer to the published version of this announcement in The Standard.