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Fufeng Group Limited **阜豐集團有限公司**

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 546)

- (1) PROPOSED RIGHTS ISSUE OF RIGHTS SHARES
AT THE SUBSCRIPTION PRICE OF HK\$1.80 EACH
ON THE BASIS OF ONE RIGHTS SHARE
FOR EVERY FIVE EXISTING SHARES
HELD ON THE RECORD DATE
(2) CLOSURE OF REGISTER OF MEMBERS
AND
(3) RESUMPTION OF TRADING**

Financial Advisor to Fufeng Group Limited



Joint Underwriters of the Rights Issue



國浩資本有限公司
Guoco Capital Limited
A Member of the Hong Leong Group

PROPOSED RIGHTS ISSUE

The Board is pleased to announce that on 25 March 2013 (after trading hours), the Company entered into the Underwriting Agreement with the Joint Underwriters, to implement the Rights Issue. The Company proposes to issue not less than 348,209,600 Rights Shares (assuming no further issue of new Shares on or before the Record Date) but not more than 354,644,468 Rights Shares (assuming the Vested Share Options are fully exercised and the Outstanding Convertible Bonds are fully converted into Shares on or before the Record Date) at the subscription price of HK\$1.80 per Rights Share. Total fund raised from the rights issue is expected to be approximately HK\$627 million to HK\$638 million before expenses.

The Company will provisionally allot one (1) Rights Share in nil-paid form for every five (5) Shares held by the Qualifying Shareholders on the Record Date. The Rights Issue will not be available to the Non-Qualifying Shareholder(s). Application of excess Rights Shares may be made by the Qualifying Shareholders. The Company intends to use the net proceeds for repayment of existing loan facilities or borrowings of the Group and for general working capital purposes. The Directors consider that the net proceeds of the Rights Issue will also strengthen the Company's capital base and improve the Group's financial position.

As at the date of this announcement, BVI Controlling Shareholder (a controlling Shareholder), BVI 1 (being a Substantial Shareholder), BVI 2, BVI 3, BVI 4 and Mr. Wang are interested in an aggregate of 1,161,459,000 Shares, representing 66.71% of the issued share capital of the Company. Pursuant to the Irrevocable Undertakings, each of the BVI Controlling Shareholder, BVI 1, BVI 2, BVI 3, BVI 4 and Mr. Wang have severally and irrevocably undertaken to the Company and the Joint Underwriters that they will take up 160,556,200 Rights Shares, 37,022,400 Rights Shares, 10,291,200 Rights Shares, 11,520,000 Rights Shares, 11,520,000 Rights Shares and 1,382,000 Rights Shares respectively, representing their respective full entitlements to the Rights Shares under the Rights Issue.

Pursuant to the Underwriting Agreement, the Joint Underwriters have conditionally agreed to subscribe or procure subscribers to subscribe for all Underwritten Rights Shares that are not taken up, subject to the terms and conditions set out in the Underwriting Agreement, in particular the fulfillment of the conditions contained therein.

WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES

If the conditions of the Rights Issue (details of which are set out in the section headed “Conditions of the Rights Issue” in this announcement) are not fulfilled or the Joint Underwriters terminate the Underwriting Agreement (details of which are set out in the section headed “Termination of the Underwriting Agreement” in this announcement), the Rights Issue will not proceed.

Any Shareholders or other persons dealing in the Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Joint Underwriters’ right of termination of the Underwriting Agreement ceases) and any persons dealing in the nil-paid Rights Shares during the period from Monday, 15 April 2013 to Monday, 22 April 2013 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

If in any doubt, Shareholders and potential investors are recommended to consult their professional advisers. Shareholders and potential investors should exercise caution in dealing in the securities of the Company.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 8 April 2013 to Wednesday, 10 April 2013 (both dates inclusive) for determining the entitlements to the Rights Issue during which period no transfer of Shares will be registered.

TRADING ARRANGEMENT

The last day for dealing in the Shares on a cum-rights basis is Tuesday, 2 April 2013. The Shares will be dealt with on an ex-rights basis from Wednesday, 3 April 2013. The Rights Shares are expected to be dealt in their nil-paid form from Monday, 15 April 2013 to Monday, 22 April 2013 (both days inclusive). The latest time for acceptance of, and payment for the Rights Shares and application and payment for excess Rights Shares is expected to be 4:00 p.m. on Thursday, 25 April 2013 or such later date as the Company and the Joint Underwriters may agree.

To qualify for the Rights Issue, a Shareholder must: (a) be registered as a member of the Company on Wednesday, 10 April 2013, the Record Date; and (b) not be a Non-Qualifying Shareholder. In order to be registered as members of the Company on the Record Date, all transfer documents of the Shares must be lodged (together with the relevant share certificate(s)) with the Registrar, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East Wanchai, Hong Kong, by 4:30 p.m. (Hong Kong time) on Friday, 5 April 2013.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and full-paid forms. For details of the trading arrangements, please refer to the section headed “Expected Timetable” in this Announcement.

GENERAL

Since the Rights Shares will not increase the issued share capital or the market capitalization of the Company by more than 50% within the twelve month's period immediately preceding the date of this announcement, the Rights Issue is not subject to any Shareholders' approval.

It is expected that the Rights Issue Documents will be despatched to the Qualifying Shareholders on Thursday, 11 April 2013 and the Prospectus will be despatched to the Non-Qualifying Shareholders for information only.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on Tuesday, 26 March 2013 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on Wednesday, 27 March 2013.

PROPOSED RIGHTS ISSUE

The terms of the Rights Issue are set out below:

Issue Statistics

Basis of the Rights Issue:	one (1) Rights Share for every five (5) Shares held on the Record Date
Number of Shares in issue as at the date of this announcement:	1,741,048,000 Shares
Maximum number of Shares which may be issued pursuant to the Vested Share Options on or before the Record Date:	29,878,200 Shares
Maximum number of Shares which may be issued pursuant to the Outstanding Convertible Bonds on or before the Record Date:	2,296,140 Shares
Number of Rights Shares to be issued:	Not less than 348,209,600 Rights Shares (assuming no further issue of new Shares on or before the Record Date) with an aggregate nominal value of HK\$34,820,960 Not more than 354,644,468 Rights Shares (assuming the Vested Share Options are fully exercised and the Outstanding Convertible Bonds are fully converted into Shares on or before the Record Date) with an aggregate nominal value of HK\$35,464,446

Subscription Price:	HK\$1.80 per Rights Share
Amount to be raised:	Not less than approximately HK\$627 million before expenses (assuming no further issue of new Shares on or before the Record Date) Not more than approximately HK\$638 million before expenses (assuming the Vested Share Options are fully exercised and the Outstanding Convertible Bonds are fully converted into Shares on or before the Record Date)
Joint Underwriters:	China Galaxy International Securities (Hong Kong) Co., Limited; CCB International Capital Limited; and GuocoCapital Limited
Number of Underwritten Shares:	Not less than 115,917,800 Rights Shares and not more than 122,352,668 Rights Shares
Underwriting commission:	2.5% of the Rights Shares subscription proceeds in respect of the Underwritten Rights Shares (to be determined by reference to the Shares in issue on the Record Date)
Minimum number of Shares in issue immediately upon completion of the Rights Issue:	2,089,257,600 Shares
Maximum number of Shares in issue immediately upon completion of the Rights Issue:	2,127,866,808 Shares

As at the date of this announcement, the Company has (i) outstanding Share Options entitling the holders of the Share Options to subscribe for 50,270,000 Shares of which Options in respect of 29,878,200 Shares are vested and exercisable; and (ii) Convertible Bonds with an aggregate outstanding principal amount of RMB181,200,000 which can be converted into Shares of the Company at an initial conversion price of HK\$7.03 per Share (with a fixed exchange rate applicable on conversion of RMB0.8797 to HK\$1.00). On 1 March 2013, certain holders of the Convertible Bonds have irrevocably exercised their right to request the Company to redeem RMB167,000,000 principal amount of Convertible Bonds on or before 2 April 2013 and thus such amount was not taken into account in the aggregate Outstanding Convertible Bonds. Without taking into account of the abovementioned RMB167,000,000 principal amount of Convertible Bonds, the Outstanding Convertible Bonds will be RMB14,200,000 as at the date of this announcement, which allows certain holders of the Convertible Bonds the right to convert to 2,296,140 Shares before the Record Date.

Save as the aforesaid, the Company does not have any outstanding convertible securities, options (whether agreed conditionally or unconditionally) or warrants in issue which would otherwise confer any right to subscribe for, convert or exchange into existing Shares as at the date of this announcement.

The number of Rights Shares which may be issued pursuant to the Rights Issue will be increased in proportion to any additional new Shares which may be allotted and issued by the Company pursuant to the exercise of the Vested Share Options and/or the conversion of the Outstanding Convertible Bonds by 4:30 p.m. on the Record Date. If all the subscription rights attaching to the 29,878,200 Vested Share Options and the conversion rights attaching to the Outstanding Convertible Bonds are duly exercised and Shares are allotted and issued pursuant to such exercise by 4:30 p.m. on the Record Date, the number of issued Shares prior to the completion of the Rights Issue could increase to 1,773,222,340 Shares. The number of Rights Shares that may be allotted and issued pursuant to the Rights Issue and the number of issued Shares immediately upon completion of the Rights Issue could correspondingly increase to 354,644,468 Rights Shares and 2,127,866,808 Shares, respectively.

The minimum number of nil-paid Right Shares to be provisionally allotted represent 20% of the Company's issued share capital as at the date of this announcement or 16.67% of the Company's issued share capital as enlarged by the issue of the Rights Shares assuming no further issue of new Shares on or before the Record Date.

Qualifying Shareholders and Overseas Shareholders

Qualifying Shareholders

The Company will send the Rights Issue Documents to the Qualifying Shareholders only, and the Prospectus to the Non-Qualifying Shareholder for information only.

To qualify for the Rights Issue, a Shareholder must:

- (i) be registered as a member of the Company at the close of business on the Record Date; and
- (ii) be a Qualifying Shareholder.

Application for all or part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for.

In order to be registered as a member of the Company on the Record Date, Shareholders must lodge any transfers of Shares (together with the relevant share certificates) with Tricor Investor Services Limited, the Hong Kong branch share registrar of the Company, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, by 4:30 p.m. on Friday, 5 April 2013, such date being the third Business Day immediately prior to the Record Date. Holders of the Vested Share Options and the Outstanding Convertible Bonds who wish to participate in the Rights Issue should exercise their respective rights in accordance with and subject to their respective terms and conditions and be registered as holders of the Shares allotted and issued to them pursuant to such exercise/conversion with the Company by 4:30 p.m. on the Record Date.

Rights of Non-Qualifying Shareholders

The Rights Issue Documents will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. No provisional allotment of Rights Shares will be made to those Shareholders with addresses outside Hong Kong if the Directors consider, after making reasonable enquiries, such exclusion to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place(s) or the requirements of the relevant regulatory body or stock exchange in that (those) place(s).

Based on the register of members of the Company as at 22 March 2013, the Company does not have any Overseas Shareholders.

The Company will send the Rights Issue Documents to the Qualifying Shareholders and will send the Prospectus to Non-Qualifying Shareholders for information only.

The basis of exclusion of Non-Qualifying Shareholders, if any, from the Right Issue will be disclosed in the Prospectus.

Arrangements will be made for the Right Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealing in the nil-paid Rights Shares commence on the Stock Exchange and in any event before the last day of the dealing in nil-paid Right Shares if a premium (net of expenses) can be obtained. Net proceeds of each sale of HK\$100 or more will be paid to the Non-Qualifying Shareholders pro rata to their shareholdings as at 5:00 p.m. on the Record Date in Hong Kong dollars. Individual amounts of less than HK\$100 will not be paid and will be retained for the benefit of the Company.

Subscription Price

The Subscription Price under the Rights Issue is HK\$1.80 per Rights Share, payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of the Rights Shares or applies for excess Rights Shares or when a transferee of nil-paid Rights Shares subscribes for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 39.80% to the closing price of HK\$2.99 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 35.48% to the theoretical ex-rights price of approximately HK\$2.79 based on the closing price of HK\$2.99 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 39.60% to the average closing price of approximately HK\$2.98 per Share as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day;

- (iv) a discount of approximately 39.80% to the average closing price of approximately HK\$2.99 per Share as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day; and
- (v) a discount of approximately 32.30% to the net asset value per Share of approximately HK\$2.66 (based on the latest unaudited interim net asset value of the Group as at 30 June 2012, 1,741,048,000 Shares in issue as at the date of this announcement and RMB to Hong Kong Dollar exchange rate of 1:1.26).

Each Rights Share will have a par value of HK\$0.1.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Joint Underwriters with reference to the market price of the Shares under the prevailing market conditions. The Directors consider that the discounts to the relative values as indicated above would encourage existing Shareholders to take up their entitlements so as to participate in the future growth of the Group. The Directors consider the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and are in the best interests of the Company and the Shareholders as a whole.

Basis of provisional allotment

The basis for provisional allotment shall be one (1) Rights Share (in nil-paid form) for every five (5) Shares held by the Qualifying Shareholders on the Record Date.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for.

Status of the Rights Shares

When allotted, issued and fully paid, the Rights Shares will rank pari passu in all respects with the then existing Shares in issue and holders of such Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid after the date of allotment and issue of the Rights Shares in their fully-paid form.

Fractions of Rights Shares (if any)

The Company will not provisionally allot fractions of Rights Shares in nil-paid form nor will it accept any application for any fraction of the Rights Shares. All fractions of Rights Shares will be aggregated (rounded down to the nearest whole number) and all nil-paid Rights Shares arising from such aggregation will be sold in the market for the benefit of the Company, if a premium net of expenses can be achieved. Any unsold aggregate of fractions of nil-paid Rights Shares will be available to meet excess applications by the Qualifying Shareholders.

Applications for excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, any unsold Rights Shares created by aggregating fractions of Rights Shares and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders.

Applications for excess Rights Shares may be made by completing the EAFs and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Directors will, after consultation with the Joint Underwriters, allocate the excess Rights Shares at their discretion on a fair and reasonable basis as far as practicable, and will give preference to topping-up odd lots to whole board lots.

Investors with their Shares held by a nominee (or which are held in CCASS) should note that the Directors will regard the nominee (including HKSCC) as a single Shareholder according to the register of members of the Company. Accordingly, investors whose Shares are registered in the name of a nominee (or which are held in CCASS) should note that the aforesaid arrangement in relation to the topping-up of odd lots for allocation of excess Rights Shares will not be extended to them individually. Beneficial owners with their Shares held by a nominee (or which are held in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date.

Investors whose Shares are held by a nominee (or which are held in CCASS) and who would like to have their names registered on the register of members of the Company, must lodge all necessary documents with Tricor Investor Services Limited, the Hong Kong branch share registrar of the Company, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, by 4:30 p.m. on Friday, 5 April 2013.

Certificates for Rights Shares and refund cheques for the Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted at their own risk by ordinary post by Thursday, 2 May 2013 to those Qualifying Shareholders who have accepted and (where applicable) applied for, and paid for the Rights Shares. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted to the applicants by ordinary post at their own risk on or before Thursday, 2 May 2013.

Closure of register of members

The register of members of the Company will be closed from Monday, 8 April 2013 to Wednesday, 10 April 2013 (both days inclusive) for determining the entitlements to the Rights Issue, and accordingly no transfer of Shares will be registered during this period.

Application for listing and dealings

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms. Nil-paid Rights Shares are expected to be traded in board lots of 1,000 (as the Shares are currently traded on the Stock Exchange in board lots of 1,000). Dealings in nil-paid and fully-paid Rights Shares will be subject to the payment of stamp duty, Stock Exchange trading fee, the Securities and Futures Commission transaction levy and other applicable fees and charges in Hong Kong.

No part of the share capital of the Company is listed or dealt in or on which listing or permission to deal in is being or is proposed to be sought on any other stock exchange.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of dealings in the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

UNDERTAKINGS

Irrevocable undertaking from Controlling Shareholder

As at the date of this announcement, BVI Controlling Shareholder is interested in 802,781,000 Shares in aggregate, representing approximately 46.1% of the existing issued share capital of the Company and is a Controlling Shareholder.

BVI Controlling Shareholder irrevocably undertakes to the Company and the Joint Underwriters as follows:–

- (i) to subscribe the Rights Shares which will constitute the provisional allotment of Rights Shares in respect of the Shares held by BVI Controlling Shareholder as at the Record Date pursuant to the terms of the Rights Issue;
- (ii) that BVI Controlling Shareholder will not dispose of the Shares held by it from the date thereof to the close of business on the Record Date (or such date as may be notified by the Company in writing); and

- (iii) to lodge acceptances in respect of the aforesaid Rights Shares with the Registrar or the Company, with payment in full therefor in cash (whether by cheque, bank cashier's order or such other form as the Company may approve), by no later than 4:00 p.m. on the latest date for acceptance of the Rights Shares as specified by the Company or such later date as the Company may agree.

Irrevocable undertaking from BVI 1, BVI 2, BVI 3, BVI 4 and Mr. Wang

As at the date of this announcement, BVI 1 is interested in 185,112,000 Shares in aggregate, representing approximately 10.6% of the existing issued share capital of the Company.

As at the date of this announcement, BVI 2 is interested in 51,456,000 Shares, representing approximately 3.0% of the existing issued share capital of the Company.

As at the date of this announcement, BVI 3 is interested in 57,600,000 Shares, representing approximately 3.3% of the existing issued share capital of the Company.

As at the date of this announcement, BVI 4 is interested in 57,600,000 Shares, representing approximately 3.3% of the existing issued share capital of the Company.

As at the date of this announcement, Mr. Wang is directly interested in 6,910,000 Shares, representing approximately 0.4% of the existing issued share capital of the Company.

Each of BVI 1, BVI 2, BVI 3, BVI 4 and Mr. Wang severally and irrevocably undertake to the Company and the Joint Underwriters as follows:—

- (i) to subscribe the Rights Shares which will constitute the provisional allotment of Rights Shares in respect of the Shares held by BVI 1, BVI 2, BVI 3, BVI 4 and Mr. Wang, respectively, as at the Record Date pursuant to the terms of the Rights Issue;
- (ii) that each of them will not dispose of the respective Shares held by them from the date thereof to the close of business on the Record Date (or such date as may be notified by the Company in writing); and
- (iii) to lodge acceptances in respect of the aforesaid Rights Shares with the Registrar or the Company, with payment in full therefor in cash (whether by cheque, bank cashier's order or such other form as the Company may approve), by no later than 4:00 p.m. on the latest date for acceptance of the Rights Shares as specified by the Company or such later date as the Company may agree.

UNDERWRITING ARRANGEMENTS

Principal terms of the Underwriting Agreement

Date: 25 March 2013 (after trading hours on the Stock Exchange)

Joint Underwriters: China Galaxy International Securities (Hong Kong) Co., Limited

CCB International Capital Limited; and

GuocoCapital Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Joint Underwriters and their ultimate beneficial owners are Independent Third Parties

Number of Underwritten Rights Shares: 115,917,800 Rights Shares (assuming no further issue of new Shares on or before the Record Date), being the difference between the total number of Rights Shares and the aggregate of 232,291,800 Rights Shares undertaken to be taken up by BVI Controlling Shareholder, BVI 1, BVI 2, BVI 3, BVI 4 and Mr. Wang. If the Vested Share Options are fully exercised and the Outstanding Convertible Bonds are fully converted into Shares by 4:30 p.m. on the Record Date, the number of Rights Shares to be underwritten by the Joint Underwriters will be 122,352,668 Rights Shares

Commission: 2.5% of the Rights Shares subscription proceeds in respect of the Underwritten Rights Shares (to be determined by reference to the Shares in issue on the Record Date)

Other fees and expenses: All reasonable legal fees and other reasonable out-of-pocket expenses of the Joint Underwriters in respect of the Rights Issue

The commission rate was determined after arm's length negotiations between the Company and the Joint Underwriters by reference to the existing financial position of the Company, the size of the Rights Issue and the current and expected market condition. The Directors consider that the terms of the Underwriting Agreement including the commission rate are (i) on normal commercial terms; and (ii) fair and reasonable as far as the Company and the Shareholders are concerned.

CONDITIONS OF THE RIGHTS ISSUE

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated. The obligations of the Joint Underwriters under the Underwriting Agreement are conditional upon:

- (i) the delivery to the Stock Exchange and registration by the Registrar of Companies respectively on or prior to the Posting Date of one copy of each of the Rights Issue Documents each duly certified in compliance with section 342C of the Companies Ordinance (and all other documents required to be attached thereto) and otherwise complying with the requirements of the Companies Ordinance and the Listing Rules;
- (ii) the posting on the Posting Date of copies of the Rights Issue Documents to the Qualifying Shareholders;
- (iii) compliance by the Company with all its obligations under the Underwriting Agreement;
- (iv) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms either unconditionally or subject to such conditions which the Company (with the approval of the Joint Underwriters) accepts and the satisfaction of such conditions (if any and where relevant) by no later than the Posting Date and the Listing Committee of the Stock Exchange not having withdrawn or revoked such listings and permission on or before 4:00 p.m. on the Settlement Date;
- (v) (a) the Shares remaining listed on the Stock Exchange at all times prior to the Settlement Date and the current listing of the Shares not having been withdrawn or the trading of the Shares not having been suspended for a consecutive period of more than 3 trading days and (b) no indication being received before 4:00 p.m. on the Settlement Date from the Stock Exchange to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of the Rights Issue or in connection with the terms of the Underwriting Agreement or for any other reason; and
- (vi) the obligations of the Joint Underwriters under the Underwriting Agreement not being terminated by the Joint Underwriters in accordance with the terms thereof.

The Joint Underwriters have the sole discretion to waive the above conditions other than conditions (i), (ii), (iii), (iv) and (v)(b). In the event that conditions in (i), (ii) and (iii) have not been satisfied on or before the Posting Date (or the relevant dates set out therein) or in the event that conditions (iv) and (v)(b) set out above have not been satisfied on or before 4:00 p.m. on the Settlement Date, all liabilities of the parties to the Underwriting Agreement shall cease and determine and none of the parties shall have any claim against the other (save in respect of any antecedent breaches and claims) save that all such costs, fees (including legal fees) and other out-of-pocket expenses (including, but not limited to, sub-underwriting fees and related expenses) as have been incurred by each of the Joint Underwriters in connection with the underwriting of the Underwritten Rights Shares by the Joint Underwriters shall be borne by the Company.

TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriting Agreement contains provisions granting the Joint Underwriters, by notice in writing, the ability to terminate its obligations thereunder on the occurrence of certain events.

The Joint Underwriters may terminate the arrangements set out in the Underwriting Agreement by notice in writing issued to the Company by the Joint Underwriters at any time prior to 4:00 p.m. on the Settlement Date if there occurs:–

- (i) an introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof); or
- (ii) any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or currency (including any disruption to trading generally or trading in any securities of the Company on any stock exchange, or a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not such are of the same nature as any of the foregoing) or of the nature of any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict; or
- (iii) any act of God, fire, flood, explosion, epidemic, earthquake, nuclear or natural disaster, war, act of terrorism, riot, public disorder, civil commotion, strike or lock-out; or
- (iv) any suspension or a material limitation in trading in securities generally on the Stock Exchange, or a general moratorium on commercial banking activities in Hong Kong declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in Hong Kong;

and in the absolute opinion of the Joint Underwriters such change could have a material and adverse effect on the business, financial or trading position or prospects of the Group as a whole or the success of the Rights Issue or make it inadvisable or inexpedient to proceed with the Rights Issue.

If, at or prior to 4:00 p.m. on the Settlement Date:

- (i) the Company commits any material breach of or omits to observe any of the obligations, undertakings, representations or warranties expressed to be assumed by it under the Underwriting Agreement; or
- (ii) the Joint Underwriters shall receive notification, or shall otherwise become aware of, the fact that any of the representations or warranties contained in the Underwriting Agreement was, when given, untrue, inaccurate or misleading, or would be untrue, inaccurate or misleading; or

- (iii) the Company shall, after any matter or event of misrepresentation, breach of warranty and undertaking referred to in the Underwriting Agreement has occurred or come to the Joint Underwriters' attention, fail promptly to send out any announcement or circular (after the despatch of the Rights Issue Documents), in such manner (and as appropriate with such contents) as the Joint Underwriters may request for the purpose of preventing the creation of a false market in the securities of the Company; the Joint Underwriters shall be entitled (but not bound) by notice in writing issued by the Joint Underwriters to the Company to elect to treat such matter or event as releasing and discharging the Underwriters from their obligations under the Underwriting Agreement.

If the Underwriting Agreement is terminated by the Joint Underwriters on or before the aforesaid deadline or does not become unconditional, the Rights Issue will not proceed.

WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES

The Shares will be dealt in on an ex-rights basis from Wednesday, 3 April 2013. Dealing in the Rights Shares in the nil-paid form will take place from Monday, 15 April 2013 to Monday 22 April 2013 (both dates inclusive). If the conditions of the Underwriting Agreement are not fulfilled or the Underwriting Agreement is terminated by the Joint Underwriters, the Rights Issue will not proceed.

Any Shareholders or other persons contemplating selling or purchasing Rights Shares in their nil-paid form during the period from Monday, 15 April 2013 to Monday 22 April 2013 (both dates inclusive) who are in any doubt about their position are recommended to consult their professional advisers.

Any Shareholders or other persons dealing in the Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Joint Underwriters' right of termination of the Underwriting Agreement ceases) and any persons dealing in the nil-paid Rights Shares during the period from Monday, 15 April 2013 to Monday 22 April 2013 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE

The changes in the shareholding structure of the Company arising from the Rights Issue are as follows:

Scenario 1:

- (a) Assuming none of the Vested Share Options is exercised and none of the Outstanding Convertible Bonds is converted by 4:30 p.m. on the Record Date and no other Shares (other than Rights Shares) are allotted and issued on or before completion of the Rights Issue:

	Existing shareholding as at the date of this announcement ⁽¹⁾		Immediately upon completion of the Rights Issue (assuming all Rights Shares will be taken up by the Qualifying Shareholders)		Immediately upon completion of the Rights Issue (assuming no Rights Shares will be taken up by the Qualifying Shareholders except for those who have undertaken to subscribe pursuant to the Irrevocable Undertakings)	
	Shares	Approximate %	Shares	Approximate %	Shares	Approximate %
BVI						
Controlling Shareholder	802,781,000	46.1%	963,337,200	46.1%	963,337,200	46.1%
BVI 1	185,112,000	10.6%	222,134,400	10.6%	222,134,400	10.6%
BVI 2	51,456,000	3.0%	61,747,200	3.0%	61,747,200	3.0%
BVI 3	57,600,000	3.3%	69,120,000	3.3%	69,120,000	3.3%
BVI 4	57,600,000	3.3%	69,120,000	3.3%	69,120,000	3.3%
Mr. Wang	6,910,000	0.4%	8,292,000	0.4%	8,292,000	0.4%
Joint Underwriters ⁽²⁾	–	–	–	–	115,917,800	5.6%
Other public Shareholders	579,589,000	33.3%	695,506,800	33.3%	579,589,000	27.7%
Total	<u>1,741,048,000</u>	<u>100%</u>	<u>2,089,257,600</u>	<u>100%</u>	<u>2,089,257,600</u>	<u>100%</u>

Notes:

- (1) Based on information in the disclosure of interests register which is required to be kept by the Company under S336 of the SFO.
- (2) Pursuant to the Joint Underwriters' underwriting obligations under the Underwriting Agreement.

Certain percentage figures included in this table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them, and the approximate percentages may not add up to 100% due to rounding.

Scenario 2:

- (b) Assuming new Shares have been allotted and issued on or before the Record Date pursuant to the exercise of all Vested Share Options and the conversion of all the Outstanding Convertible Bonds into Shares, but otherwise no other Shares (other than the Rights Shares) are allotted and issued on or before completion of the Rights Issue:

	Existing shareholding as at the date of this announcement ⁽¹⁾		Shareholding as at Record Date assuming new shares have been allotted and issued pursuant to the exercise of all the Vested Share Options and the conversion of all the Outstanding Convertible Bonds		Immediately upon completion of the Rights Issue (assuming all Rights Shares will be taken up by the Qualifying Shareholders)		Immediately upon completion of the Rights Issue (assuming no Rights Shares will be taken up by the Qualifying Shareholders except for those undertake pursuant to the Irrevocable Undertakings)	
	Shares	Approximate %	Shares	Approximate %	Shares	Approximate %	Shares	Approximate %
BVI Controlling Shareholder	802,781,000	46.1%	802,781,000	45.3%	963,337,200	45.3%	963,337,200	45.3%
BVI 1	185,112,000	10.6%	185,112,000	10.4%	222,134,400	10.4%	222,134,400	10.4%
BVI 2	51,456,000	3.0%	51,456,000	3.0%	61,747,200	3.0%	61,747,200	3.0%
BVI 3	57,600,000	3.3%	57,600,000	3.2%	69,120,000	3.2%	69,120,000	3.2%
BVI 4	57,600,000	3.3%	57,600,000	3.2%	69,120,000	3.2%	69,120,000	3.2%
Mr. Wang	6,910,000	0.4%	6,910,000	0.4%	8,292,000	0.4%	8,292,000	0.4%
Joint Underwriters ⁽²⁾	-	-	-	-	-	-	122,352,668	5.8%
Eligible Employees under the Vested Share Options ⁽³⁾	-	-	29,878,200	1.7%	35,853,840	1.7%	29,878,200	1.4%
Holders of Outstanding Convertible Bonds ⁽⁴⁾	-	-	2,296,140	0.1%	2,755,368	0.1%	2,296,140	0.1%
Other public	579,589,000	33.3%	579,589,000	32.7%	695,506,800	32.7%	579,589,000	27.2%
Total	<u>1,741,048,000</u>	<u>100%</u>	<u>1,773,222,340</u>	<u>100%</u>	<u>2,127,866,808</u>	<u>100%</u>	<u>2,127,866,808</u>	<u>100%</u>

Notes:

- (1) Based on information in the disclosure of interests register which is required to be kept by the Company under section 336 of the SFO.
- (2) Pursuant to the Joint Underwriters' underwriting obligations under the Underwriting Agreement.
- (3) Pursuant to the full exercise of the Vested Share Options.
- (4) Pursuant to the full exercise of the rights of the holders of the Convertible Bonds to convert the Outstanding Convertible Bonds into Shares.

Certain percentage figures included in this table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them, and the approximate percentages may not add up to 100% due to rounding.

EXPECTED TIMETABLE

The expected timetable for the Rights Issue is set out below:

2013

Last day of dealings in Shares on a cum-rights basis	Tuesday, 2 April
First day of dealings in Shares on an ex-rights basis	Wednesday, 3 April
Latest time for lodging transfers of Shares in order to qualify for the Rights Issue.	4:30 p.m. on Friday, 5 April
Register of members of the Company closes	from Monday, 8 April to Wednesday, 10 April (both days inclusive)
Record Date	Wednesday, 10 April
Register of members re-opens	Thursday, 11 April
Despatch of Rights Issue Documents	Thursday, 11 April
First day of dealings in nil-paid Rights Shares	Monday, 15 April
Latest time for splitting nil-paid Rights Shares	4:30 p.m. on Wednesday, 17 April
Last day of dealings in nil-paid Rights Shares	Monday, 22 April
Latest time for acceptance of, and payment for, Rights Shares and application and payment for excess Rights Shares	4:00 p.m. on Thursday, 25 April
Rights Issue expected to become unconditional.	4:00 p.m. on Monday, 29 April
Announcement of results of the Rights Issue to be published on the respective websites of the Stock Exchange and the Company	Tuesday, 30 April
Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares to be despatched on or before.	Thursday, 2 May
Certificates for fully-paid Rights Shares to be despatched on or before	Thursday, 2 May
Dealing in fully-paid Rights Shares on the Stock Exchange expected to commence on	Friday, 3 May

Note: All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in this announcement are indicative only and may be varied by agreement between the Company and the Joint Underwriters. Any consequential changes to the expected timetable will be published or notified to the Shareholders by way of announcement(s).

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares and for application and payment of excess Right Shares will not take place at the time stated above if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Thursday, 25 April 2013. In such event, the latest time for acceptance of and payment for the Rights Shares and for application and payment of excess Right Shares will be extended to 5:00 p.m. on the same Business Day;
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Thursday, 25 April 2013. In such event, the latest time of acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place on Thursday, 25 April 2013, the dates mentioned in the section headed “Expected timetable” above may be affected. The Company will notify the Shareholders by way of announcements on any change to the expected timetable as soon as practicable.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group is principally engaged in the manufacture and sale of biochemical products such as monosodium glutamate (“MSG”) and Xanthan gum. In recent years, the industry has undergone major restructuring and consolidation where the number of MSG enterprises in the PRC decreased significantly. During this period, the Group had actively and strategically increased capital expenditure to increase its production capacity whilst maintaining competitive pricing in order to capture more market share and increase its market leading position. The Group believes that consolidation in the domestic MSG industry is nearing its end and weaker competitors with lesser competitive advantages have been largely eliminated. The next stage of competition in the industry would be mainly between larger and fundamentally stronger enterprises and the Group expects that industry supply and demand will gradually return to normal. With the benefit of increased level of investment made in recent years, the Group is confident that it is well positioned to further increase its market share in its key markets going forward. The Directors consider that taking into account the prevailing market conditions, it would be in the best interests of the Company and the Shareholders as a whole to raise long-term equity funding for replacement of Company’s existing borrowings and debts and general working capital purposes.

Having considered other fund raising alternatives for the Group, including issuance of debt securities and share placements and taking into account the benefits and costs of each alternative, the Directors consider that the Rights Issue is the preferred means for the Group to raise long-term funds without subjecting itself to interest burden or additional debt. The Rights Issue also offers existing Shareholders the opportunity to participate in without dilution. The Directors consider that the net proceeds of the Rights Issue will also strengthen the Company's capital base and strengthen the Group's financial position, while at the same time the Rights Issue will enable Shareholders to participate in the future development of the Company on equal terms.

It is intended that the estimated net proceeds, after deduction of related expenses, of approximately HK\$617 million (assuming no further issue of new Shares on or before the Record Date) from the Rights Issue will be used for general working capital for repayment of existing loan facilities or borrowings of the Group and for general working capital purpose. The estimated expenses in relation to the Rights Issue, including underwriting commission, financial, legal and other professional advisory fees, printing and translation expenses, of approximately HK\$9.5 million, will be borne by the Company. After taking into account the estimated expenses in relation to the Rights Issue, the net price per Rights Share is expected to be approximately HK\$1.77.

Based on the aforesaid and taking into account that the Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro rata shareholding interests in the Company and to continue to participate in the future development of the Group, the Board considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

FUND RAISING BY THE COMPANY IN THE PAST TWELVE MONTHS

Save for the Rights Issue, the Company has not conducted any fund raising exercises in connection with any issue of equity securities in the past 12 months immediately preceding the date of this announcement.

ADJUSTMENTS IN RELATION TO THE EXERCISE PRICE AND/OR NUMBER OF SHARE OPTIONS

As at the date of this announcement, the Company has granted Share Options to certain Directors and eligible employees to subscribe for an aggregate of 64,110,000 Shares and 5,000,000 Shares on 14 July 2009 and 9 November 2010 respectively under the Share Option Scheme, of which 29,878,200 Shares are vested and exercisable on or prior to the Record Date.

The Rights Issue, if it becomes unconditional, will cause adjustments to the subscription price and/or the number of Shares to be issued under the Share Option Scheme (both vested and unvested) under the terms thereof. Adjustments to certain terms of the Share Options shall be made pursuant to the Share Option Schemes and in compliance with Rule 17.03(13) of the Listing Rules and the supplemental guidance issued by the Stock Exchange in September 2005. Auditor will be engaged by the Company to confirm to the Directors in writing that such adjustments satisfy the requirements under Rule 17.03(13) of the Listing Rules. The Company will inform holders of the Share Options of such adjustments accordingly by written notice to each of them.

ADJUSTMENTS TO THE CONVERTIBLE BONDS

The Outstanding Convertible Bonds entitle the holders of the Outstanding Convertible Bonds to convert the outstanding bonds in the principal amount of RMB14,200,000 into 2,296,140 Shares.

As a result of the Rights Issue, the conversion price of the Convertible Bonds may be adjusted in accordance with the respective terms and conditions of the Convertible Bonds. The Company will engage auditor to perform certain agreed-upon procedures on the adjustments to the conversion price of the Convertible Bonds and inform the holders of the Convertible Bonds of the adjustment accordingly.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on Tuesday, 26 March 2013 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on Wednesday, 27 March 2013.

GENERAL

Since the Rights Shares will not increase the issued share capital or the market capitalization of the Company by more than 50% within the 12-month period immediately preceding this announcement, the Rights Issue itself is not subject to Shareholders' approval.

The Rights Issue Documents are expected to be despatched to the Qualifying Shareholders and the Prospectus are expected to be despatched to the Non-Qualifying Shareholder for information only on Thursday, 11 April 2013.

DEFINITIONS

“Acceptance Date”	25 April 2013, being the last day for acceptance of and payment of the Rights Shares and application and payment for excess Rights Shares, or such other date as the Company and the Joint Underwriters may agree in writing
“Board”	the board of Directors
“Business Day”	a day (excluding Saturdays) on which banks are generally open for business in Hong Kong
“BVI”	British Virgin Islands
“BVI Controlling Shareholder”	Motivator Enterprises Limited, a limited liability company incorporated in the BVI, the entire issued share capital of which is wholly and beneficially owned by Mr. Li Xuechun, an executive Director and the chairman of the Company. As at the date of this announcement, it holds approximately 46.1% of the total issued share capital of the Company

“BVI 1”	Ever Soar Enterprises Limited, a limited liability company incorporated in the BVI, and is a Substantial Shareholder as at the date of this announcement. The shareholders of BVI 1 include existing and former directors and management of members of the Group
“BVI 2”	Excel Energy Limited, a limited liability company incorporated in the BVI, and is a Shareholder as at the date of this announcement. The shareholders of BVI 2 are the management of members of the Group
“BVI 3”	Hero Elite Limited, a limited liability company incorporated in the BVI, and is a Shareholder as at the date of this announcement. The shareholders of BVI 3 are the management of members of the Group
“BVI 4”	Advanced Quality Limited, a limited liability company incorporated in the BVI, and is a Shareholder as at the date of this announcement. The shareholders of BVI 4 are the management of members of the Group
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	Fufeng Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Controlling Shareholder”	has the same meaning as defined in the Listing Rules
“Convertible Bonds”	the convertible bonds, issued by the Company pursuant to a subscription agreement dated 25 March 2010
“Directors”	the directors of the Company
“EAF(s)”	application form(s) for excess Rights Shares to be issued in connection with the Rights Issue
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Parties”	third parties that are independent of the Company and its connected persons as defined under the Listing Rules
“Irrevocable Undertaking (BVI Controlling Shareholder)”	the irrevocable undertaking letter dated 25 March 2013 and executed by BVI Controlling Shareholder in favour of the Company and the Joint Underwriters
“Irrevocable Undertaking (BVI 1)”	the irrevocable undertaking letter dated 25 March 2013 and executed by BVI 1 in favour of the Company and the Joint Underwriters
“Irrevocable Undertaking (BVI 2)”	the irrevocable undertaking letter dated 25 March 2013 and executed by BVI 2 in favour of the Company and the Joint Underwriters
“Irrevocable Undertaking (BVI 3)”	the irrevocable undertaking letter dated 25 March 2013 and executed by BVI 3 in favour of the Company and the Joint Underwriters
“Irrevocable Undertaking (BVI 4)”	the irrevocable undertaking letter dated 25 March 2013 and executed by BVI 4 in favour of the Company and the Joint Underwriters
“Irrevocable Undertaking (Mr. Wang)”	the irrevocable undertaking letter dated 25 March 2013 and executed by Mr. Wang in favour of the Company and the Joint Underwriters
“Irrevocable Undertakings”	the Irrevocable Undertaking (BVI Controlling Shareholder), the Irrevocable Undertaking (BVI 1), the Irrevocable Undertaking (BVI 2), the Irrevocable Undertaking (BVI 3), the Irrevocable Undertaking (BVI 4) and the Irrevocable Undertaking (Mr. Wang)
“Joint Underwriters”	China International Securities (Hong Kong) Co., Limited, a registered institution licensed to conduct Type 1 regulated activity (dealing in securities), Type 4 regulated activity (advising on securities) and Type 6 regulated activity (advising on corporate finance) under the SFO CCB International Capital Limited, a registered institution licensed to conduct Type 1 regulated activity (dealing in securities) and Type 6 regulated activity (advising on corporate finance) under the SFO GuocoCapital Limited, a registered institution licensed to conduct Type 1 regulated activity (dealing in securities), Type 4 regulated activity (advising on securities), and Type 6 regulated activity (advising on corporate finance) under the SFO

“Last Trading Day”	25 March 2013, being the last trading day of the Shares on the Stock Exchange prior to this announcement
“Latest Time for Termination”	4:00 p.m. on the second Business Day after the Acceptance Date
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Wang”	an executive Director of the Company, directly holding 6,910,000 issued Shares of the Company and interested in 14.3% of the issued share capital of BVI 3 as at the date of this announcement
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, after making reasonable enquiries, consider it necessary or expedient to exclude on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Outstanding Convertible Bonds”	the convertible bonds issued by the Company with an aggregate outstanding principal amount of RMB14,200,000, which entitle the holders of the Convertible Bonds to convert, at an initial conversion price of HK\$7.03, to a maximum of 2,296,140 Shares
“Overseas Shareholder(s)”	the Shareholder(s) whose name(s) appear(s) on the register of members of the Company at 5:00 p.m. on the Record Date and whose registered address(es) as shown on such register is (are) outside Hong Kong
“PAL(s)”	provisional allotment letter(s) for the Rights Shares to be issued in connection with the Rights Issue
“Posting Date”	11 April 2013 or such other date as the Joint Underwriters may agree in writing with the Company for the despatch of the Rights Issue Documents
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus to be issued by the Company in relation to, among other things, the Rights Issue
“Qualifying Shareholder(s)”	the Shareholder(s) whose name(s) appear(s) on the register of members of the Company at 5:00 p.m. on the Record Date
“Record Date”	10 April 2013, the record date for the determination of the entitlements to the Rights Issue

“Registrar”	the branch share registrar of the Company in Hong Kong, being Tricor Investor Services Limited of 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong
“Registrar of Companies”	the Registrar of Companies in Hong Kong
“Rights Issue”	the proposed issue of not less than 348,209,600 Rights Shares and not more than 354,644,468 Rights Shares at a price of HK\$1.80 per Rights Share on the basis of 1 Rights Share for every 5 existing Shares held on the Record Date payable in full on acceptance
“Rights Issue Documents”	the Prospectus, the PALs and the EAFs
“Rights Share(s)”	not less than 348,209,600 new Shares and not more than 354,644,468 new Share(s) to be allotted and issued by the Company under the Rights Issue
“Settlement Date”	29 April 2013, being the second Business Day following the Acceptance Date (or such other time or date as the Joint Underwriters and the Company may agree in writing) as the day for settlement of the Rights Issue
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Option Scheme”	the post-IPO share option scheme adopted by the Company on 10 January 2007 which came into effect after the initial listing of the Shares on the Stock Exchange on 8 February 2007
“Share Options”	options to subscribe for Shares granted under the Share Option Scheme
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$1.80 per Rights Share
“Substantial Shareholder”	has the same meaning as defined in the Listing Rules

“Underwriting Agreement”	the underwriting agreement dated 25 March 2013 between the Company and the Joint Underwriters relating to the underwriting and other arrangements in respect of the Rights Issue
“Underwritten Rights Shares”	the Rights Shares other than the Right Shares for which BVI Controlling Shareholder, BVI 1, BVI 2, BVI 3 and BVI 4 and Mr. Wang have undertaken to subscribe pursuant to the Irrevocable Undertakings
“Vested Share Options”	the 29,878,200 Share Options granted to the eligible employees of the Company, which are vested and exercisable on or before the Record Date
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
Fufeng Group Limited
Li Xuechun
Chairman

Hong Kong, 26 March 2013

As at the date of this announcement, the executive directors of the Company are Mr. Li Xuechun, Mr. Wang Longxiang, Mr. Feng Zhenquan, Mr. Xu Guohua, Mr. Li Deheng, Mr. Chen Yuan and Mr. Li Guangyu and the independent non-executive Directors are Mr. Choi Tze Kit, Sammy, Mr. Chen Ning, Mr. Liang Wenjun and Ms. Zheng Yu.