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常茂生物化學工程股份有限公司

Changmao Biochemical Engineering Company Limited*

(a joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 954)

POSITIVE PROFIT ALERT

This announcement is made by Changmao Biochemical Engineering Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that having assessed the currently available information, the Group is likely to record a significant increase in the consolidated net profits for the six months ended 30 June 2018 as compared with the consolidated net profits for the six months ended 30 June 2017. The Board believes that such expected increase in the consolidated net profits was mainly due to the increase in profit margin of the Group resulted from the increase in average selling price of some major organic acid products compared to that in the corresponding period in 2017.

**For identification purpose*

As the Company is still in the process of finalising its results of the Group for the six months ended 30 June 2018, the information contained in this announcement is a preliminary assessment by the Board with reference to the management accounts of the Group and the information currently available to the Company. Such information has not been audited nor reviewed by the Company's auditor and/or the audit committee. Further details of the Group's performance will be disclosed when the Group's results for the six months ended 30 June 2018 are announced.

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

By order of the Board
Changmao Biochemical Engineering Company Limited*
Rui Xin Sheng
Chairman

The PRC, 20 July 2018

As at the date hereof, Mr. Rui Xin Sheng (Chairman) and Mr. Pan Chun are the executive directors of the Company, Mr. Zeng Xian Biao, Mr. Yu Xiao Ping, Mr. Wang Jian Ping and Ms. Leng Yi Xin are the non-executive directors of the Company, Prof. Ouyang Ping Kai, Prof. Yang Sheng Li, Ms. Wei Xin and Ms. Au Fung Lan are the independent non-executive directors of the Company.

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