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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)

VOLUNTARY ANNOUNCEMENT **SUCCESSFUL LITIGATION**

This is a voluntary announcement made by Fufeng Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) regarding the legal proceedings (the “**Litigation**”) commenced by Shandong Fufeng Fermentation Co., Ltd* (山東阜豐發酵有限公司) (the “**Plaintiff**”), a wholly-owned subsidiary of the Company, against Xinjiang Meihua Amino Acid Co., Ltd*(新疆梅花氨基酸有限責任公司) (“**Xinjiang Meihua**”), Meihua Biotechnology Group Co., Ltd.* (梅花生物科技集團股份有限公司) (“**Meihua Biotechnology**”) and Zhang Wei* (張偉) (“**Zhang**”) (Xinjiang Meihua, Meihua Biotechnology and Zhang are, collectively, the “**Defendants**”) in connection with infringement of commercial production secrecy of Xanthan Gum.

BACKGROUND OF THE LITIGATION

The Plaintiff alleged that Zhang had disclosed the technical know-how of commercial production of Xanthan Gum he had acquired during his employment with the Plaintiff, to Xinjiang Meihua and Meihua Biotechnology after he left the Plaintiff in early 2012. The Plaintiff commenced civil action against the Defendants for infringement of commercial production secrecy of Xanthan Gum in 2014.

COURTS' DECISIONS

Following various trials of the courts, the Company is pleased to announce that the Supreme People's Court (最高人民法院) has come to, among others, the following final decisions on 9 January 2024:

1. the Defendants must discontinue their acts of infringement of Plaintiff's commercial production secrecy of Xanthan Gum, including disclosure, uses or allowing third party's uses of the commercial production secrecy of Xanthan Gum; and
2. order the Defendants to pay compensation of RMB15,000,000 to the Plaintiff for its economic loss within 10 days from the date of court's final decisions (i.e. 9 January 2024).

ACTIONS TO BE TAKEN BY THE GROUP

The decisions of the Supreme People's Court have become effective. The Plaintiff is considering applying for mandatory enforcement of the court order. The Plaintiff is now seeking legal advice from its PRC legal advisers for taking appropriate action.

The Board is not aware of currently, the Litigation and the compensation ordered by the court will have any material financial effect on the Group.

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

By order of the Board
Fufeng Group Limited
Li Xuechun
Chairman

Hong Kong, 29 January 2024

As at the date of this announcement, the executive directors of the Company are Mr. Li Xuechun, Mr. Li Deheng and Mr. Li Guangyu and the independent non-executive directors of the Company are Mr. Lau Chung Wai, Mr. Zhang Youming and Ms. Li Ming.

* *For identification purposes only.*