

**FULING GLOBAL INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(UNAUDITED)

|  | <b>March 31,<br/>2016</b> | <b>December 31,<br/>2015</b> |
|--|---------------------------|------------------------------|
| <b><u>ASSETS</u></b>   |                           |                              |
| <b>Current Assets:</b>   |                           |                              |
| Cash and cash equivalents  | \$ 8,413,443              | \$ 15,573,554                |
| Restricted cash  | 1,647,608                 | 2,129,162                    |
| Certificates of deposit  | 3,312,321                 | 3,186,892                    |
| Accounts receivable, net   | 15,116,039                | 14,725,030                   |
| Advances to supplier, net  | 565,088                   | 312,328                      |
| Inventories, net   | 11,924,289                | 13,493,685                   |
| Prepaid expenses and other current assets  | 1,001,796                 | 425,477                      |
| <b>Total Current Assets</b>  | <b>41,980,584</b>         | <b>49,846,128</b>            |
| Property, plant and equipment, net   | 22,276,571                | 21,556,866                   |
| Intangible assets, net   | 1,780,262                 | 1,778,264                    |
| Prepayments for land use rights and construction   | 6,148,057                 | -                            |
| Other non-current assets   | 2,380,259                 | 2,228,900                    |
| Deferred tax assets  | 431,716                   | 319,252                      |
| <b>Total Assets</b>  | <b>\$ 74,997,449</b>      | <b>\$ 75,729,410</b>         |
| <b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>   |                           |                              |
| <b>Current Liabilities:</b>  |                           |                              |
| Short term borrowings  | \$ 17,895,325             | \$ 15,264,827                |
| Bank notes payable   | 2,908,111                 | 2,839,783                    |
| Advances from customers  | 913,561                   | 597,226                      |
| Accounts payable   | 6,827,051                 | 10,972,851                   |
| Accrued and other liabilities  | 1,581,702                 | 1,808,135                    |
| Taxes payable  | 564,156                   | 743,147                      |
| Loan from third parties  | -                         | 184,851                      |
| <b>Total Current Liabilities</b>   | <b>30,689,906</b>         | <b>32,410,820</b>            |
| <b>Total Liabilities</b>   | <b>30,689,906</b>         | <b>32,410,820</b>            |
| <b>Commitments and contingencies</b>   |                           |                              |
| <b>Shareholders' Equity</b>  |                           |                              |
| Common stock: \$0.001 par value, 70,000,000 shares authorized,<br>15,732,795 shares issued and outstanding as of March 31, 2016 and December<br>31, 2015 | 15,733                    | 15,733                       |
| Additional paid in capital   | 29,756,758                | 29,722,127                   |
| Statutory reserve  | 2,998,684                 | 2,868,844                    |
| Retained earnings  | 10,802,072                | 10,182,213                   |
| Accumulated other comprehensive income   | 626,182                   | 392,450                      |
| <b>Total Fuling Global Inc.'s equity</b>   | <b>44,199,429</b>         | <b>43,181,367</b>            |
| Noncontrolling interest  | 108,114                   | 137,223                      |
| <b>Total Shareholders' Equity</b>  | <b>44,307,543</b>         | <b>43,318,590</b>            |
| <b>Total Liabilities and Shareholders' Equity</b>  | <b>\$ 74,997,449</b>      | <b>\$ 75,729,410</b>         |

**FULING GLOBAL INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND OTHER COMPREHENSIVE INCOME**  
(UNAUDITED)

|   | <b>For the Three Months Ended March 31,</b> |                     |
|---|---|---------------------|
|   | <b>2016</b>                                 | <b>2015</b>         |
| Revenues  | \$ 20,577,819                               | \$ 20,638,516       |
| Cost of goods sold  | 15,372,996                                  | 16,045,597          |
| <b>Gross Profit</b>   | <b>5,204,823</b>                            | <b>4,592,919</b>    |
| <b>Operating Expenses</b>                                       |   |                     |
| Selling expenses  | 1,631,533                                   | 1,378,971           |
| General and administrative expenses                             | 2,064,559                                   | 1,536,248           |
| Research and development expenses                               | 418,356                                     | 332,139             |
| <b>Total operating expenses</b>                                 | <b>4,114,448</b>                            | <b>3,247,358</b>    |
| <b>Income from Operations</b>                                   | <b>1,090,375</b>                            | <b>1,345,561</b>    |
| <b>Other Income (Expense):</b>                                  |   |                     |
| Interest income   | 6,613                                       | 6,069               |
| Interest expense  | (201,684)                                   | (306,473)           |
| Subsidy income  | 40,869                                      | 60,221              |
| Foreign currency transaction gain                               | 59,789                                      | 227,011             |
| Other income (expense), net                                     | 37,652                                      | 36,816              |
| Total other income (expense), net                               | <b>(56,761)</b>                             | <b>23,644</b>       |
| <b>Income Before Income Taxes</b>                               | <b>1,033,614</b>                            | <b>1,369,205</b>    |
| Provision for Income Taxes                                      | 313,024                                     | 127,483             |
| <b>Net Income</b>   | <b>\$ 720,590</b>                           | <b>\$ 1,241,722</b> |
| Less: net (loss) income attributable to noncontrolling interest | (29,109)                                    | 3,739               |
| <b>Net income attributable to Fuling Global Inc.</b>            | <b>749,699</b>                              | <b>1,237,983</b>    |
| <b>Other Comprehensive Income</b>                               |   |                     |
| Foreign currency translation gain                               | 233,732                                     | 163,471             |
| <b>Comprehensive income attributable to Fuling Global Inc.</b>  | <b>\$ 983,431</b>                           | <b>\$ 1,401,454</b> |
| <b>Earnings per share</b>                                       |   |                     |
| Basic and diluted   | <b>\$ 0.05</b>                              | <b>\$ 0.11</b>      |
| <b>Weighted average number of shares</b>                        |   |                     |
| Basic and diluted   | <b>15,732,795</b>                           | <b>11,666,667</b>   |
| <b>Cash dividends per share</b>                                 |   |                     |
| Basic and diluted   | <b>\$ -</b>                                 | <b>\$ 0.88</b>      |

**FULING GLOBAL INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(UNAUDITED)

|   | <b>For the Three Months Ended March 31,</b> |              |
|---|---|--------------|
|   | <b>2016</b>                                 | <b>2015</b>  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                       |   |              |
| Net income  | \$ 720,590                                  | \$ 1,241,722 |
| Adjustments to reconcile net income to net cash provided by operating activities: |   |              |
| Stock based compensation  | 34,631                                      | -            |
| Deferred tax benefit  | (112,464)                                   | -            |
| Depreciation and amortization   | 619,319                                     | 536,522      |
| Bad debt provisions   | 5,503                                       | 10,884       |
| Gain on disposal of fixed assets  | (12,888)                                    | -            |
| Changes in operating assets:  |   |              |
| Accounts receivable   | (335,806)                                   | 1,051,566    |
| Advances to suppliers   | (285,218)                                   | (2,188,453)  |
| Inventories   | 1,588,607                                   | 740,527      |
| Other assets  | (634,938)                                   | 201,035      |
| Changes in operating liabilities:   |   |              |
| Accounts payable  | (4,151,850)                                 | (4,130,730)  |
| Advance from customers  | 309,220                                     | 62,200       |
| Taxes payable   | (180,977)                                   | (139,457)    |
| Accrued and other liabilities   | (229,848)                                   | (233,380)    |
| Net cash used in operating activities   | (2,666,119)                                 | (2,847,564)  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                       |   |              |
| Purchase of property and equipment  | (1,207,431)                                 | (248,933)    |
| Cash receipts from disposal property and equipment                                | 19,602                                      | -            |
| Cash invested in certificates of deposit  | (103,046)                                   | (2,014,072)  |
| Prepayments for land use rights and construction                                  | (6,062,422)                                 | -            |
| Purchase of intangible assets   | -   | (268,227)    |
| Net cash used in investing activities   | (7,353,297)                                 | (2,531,232)  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                       |   |              |
| Proceeds from short-term borrowings   | 9,682,986                                   | 18,021,538   |
| Repayments of short-term borrowings   | (7,187,968)                                 | (14,409,930) |
| Proceeds from bank notes payable  | 1,778,440                                   | 1,492,038    |
| Repayments of bank notes payable  | (1,729,451)                                 | (1,462,305)  |
| Repayment of third party borrowing  | (183,474)                                   | -            |
| Repayments of loans from related parties  | -   | (38,285)     |
| Change of restricted cash   | 488,632                                     | 1,768,444    |
| Net cash provided by financing activities   | 2,849,165                                   | 5,371,500    |
| <b>EFFECT OF EXCHANGE RATES CHANGES ON CASH</b>                                   | 10,140                                      | 169,500      |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                       | (7,160,111)                                 | 162,204      |
| <b>CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD</b>                         | 15,573,554                                  | 1,399,714    |
| <b>CASH AND CASH EQUIVALENTS, ENDING OF THE PERIOD</b>                            | \$ 8,413,443                                | \$ 1,561,918 |
| <b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>                         |   |              |
| Cash paid during the period for:  |   |              |
| Interest paid   | \$ 244,975                                  | \$ 306,473   |
| Income tax paid   | \$ 609,402                                  | \$ 422,743   |