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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)

POSITIVE PROFIT ALERT FOR THE SIX MONTHS ENDED 30 JUNE 2017

This announcement is made by Fufeng Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") in accordance with Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) concerning disclosure of inside information and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited.

Based on the currently available information, the board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that the Group is expected to record a significant increase of around 80% in its consolidated profit attributable to the Shareholders (the "**Net Profit**") of the Company for the six months ended 30 June 2017 as compared to that for the six months ended 30 June 2016.

The Board believes that the increase in the Net Profit for the six months ended 30 June 2017 was mainly attributable to the following principal factors:

1) Decrease in the prices of major raw material, corn kernel, during the six months ended 30 June 2017 as compared with the corresponding period of 2016, which led to increase in the gross profit margin of threonine, high-end amino acid, starch sweeteners and xanthan gum;

2) Increase in the sales volume of products such as MSG, threonine and high-end amino acid;

3) The Group also managed to undertake technological upgrade for its production processes which contributed to improvement in production efficiency and cost structure; and

4) Finance costs significantly reduced due to the full conversion of the convertible bonds due 2018, into ordinary shares of the Company by the bondholders during the six months ended 30 June 2017. For details, please refer to the announcements of the Company on 12 April 2017 and 5 May 2017.

This positive profit alert announcement is based on a preliminary review of the currently available information.

The Company is still in the process of finalising the consolidated results of the Group for the six months ended 30 June 2017. This positive profit alert announcement is only an assessment by the Board based on the preliminary review of the currently available information, which has not been reviewed by the audit committee of the Group. Shareholders and potential investors are advised to read carefully the announcement of the Company in relation to the consolidated results of the Group for the six months ended 30 June 2017, which is expected to be released in August 2017.

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

By order of the Board
Fufeng Group Limited
Li Xuechun
Chairman

Shandong, the PRC, 26 July 2017

As at the date of this announcement, the executive directors of the Company are Mr. Li Xuechun, Mr. Zhao Qiang, Mr. Li Deheng, Mr. Pan Yuehong and Mr. Li Guangyu and the independent non-executive directors of the Company are Mr. Sun Yu Guo, Mr. Qi Qing Zhong and Ms. Zheng Yu.