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 2019

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 not less than 80% in its consolidated profit attributable to the Shareholders (the "**Net Profit**") of the Company for the six months ended 30 June 2019 as compared to that for the six months ended 30 June 2018.

The Board believes that the increase in the Net Profit for the six months ended 30 June 2019 was mainly attributable to the following principal factors:

i) the Group's MSG business achieved better performance as a result of reduced level of irrational competition in terms of pricing and production volume by peer companies, resulting in the continued improvement in the oversupply situation in the industry, which enabled leading enterprises to enjoy the ability to drive a more sustainable development of the overall MSG competitive landscape; and

ii) Following the strong momentum of MSG price movement during the fourth quarter of 2018, the price of MSG remained robust and continued to edge higher during the first half of 2019. Such increase in the average selling prices of MSG during the six months ended 30 June 2019 as compared with the corresponding period of 2018, led to increase in the gross profit and gross profit margin of MSG business.

This positive profit alert announcement is based on the currently available financial information. The Company is still in the process of finalising the consolidated results of the Group for the six months ended 30 June 2019. This positive profit alert announcement is only an assessment by the Board based on the currently available financial information, and is not based on any data or information which is finalised or reviewed by the audit committee of the Company. 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 2019, which is expected to be released in August 2019.

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

Hong Kong, 22 July 2019

As at the date of this announcement, the executive directors of the Company are Mr. Li Xuechun, Mr. Zhao Qiang, Mr. Li Deheng, Mr. Yu Yao Ming and Mr. Li Guangyu and the independent non-executive directors of the Company are Mr. Lau Chung Wai, Mr. Xu Zheng Hong and Ms. Zheng Yu.