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凤祥食品

SHANDONG FENGXIANG CO., LTD.

山東鳳祥股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 9977)

VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE

This announcement is made by Shandong Fengxiang Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to provide the shareholders and potential investors of the Company with the latest business developments regarding the Group for the first quarter of 2022.

For the first quarter of 2022, the Group achieved unaudited total revenue of approximately RMB1,223.5 million, representing an increase of 35.9% as compared to approximately RMB900.4 million for the first quarter of 2021, and a decrease of 3.8% as compared to approximately RMB1,271.9 million for the fourth quarter of 2021.

In terms of channels: the new retail business for the first quarter of 2022 achieved revenue of approximately RMB195.2 million, representing a decrease of 0.3% as compared to approximately RMB196.0 million for the first quarter of 2021, and a decrease of 7.1% as compared to approximately RMB210.2 million for the fourth quarter of 2021; the new centralised procurement business for the first quarter of 2022 achieved revenue of approximately RMB201.8 million, representing an increase of 4.0% as compared to approximately RMB192.4 million for the first quarter of 2021, and a decrease of 13.5% as compared to approximately RMB233.3 million for the fourth quarter of 2021; the new export business for the first quarter of 2022 achieved revenue of approximately RMB320.0 million, representing an increase of 71.5% as compared to approximately RMB186.9 million for the first quarter of 2021, and a decrease of 6.0% as compared to approximately RMB340.5 million for the fourth quarter of 2021.

In terms of products: the sales volume of processed chicken meat products for the first quarter of 2022 was approximately 27,000 tons, representing an increase of 20.5% and a decrease of 8.4% as compared to the corresponding period in 2021 and the fourth quarter of 2021, respectively; revenue from sales of processed chicken meat products was approximately RMB557.5 million, representing an increase of 22.2% and a decrease of 9.6% as compared to the corresponding period in 2021 and the fourth quarter of 2021,

respectively. The sales volume of raw chicken meat products for the first quarter of 2022 was approximately 65,000 tons, representing an increase of 61.0% and 1.7% as compared to the corresponding period in 2021 and the fourth quarter of 2021, respectively; revenue from sales of raw chicken meat products was approximately RMB622.5 million, representing an increase of 58.6% and 2.6% as compared to the corresponding period in 2021 and the fourth quarter of 2021, respectively. The non-core business, including chicken breeds, for the first quarter of 2022 achieved sales revenue of approximately RMB43.4 million.

In the first quarter of 2022, the Group's product structure was steadily optimised, with revenue from processed chicken meat products of approximately RMB557.5 million, representing 45.6% of the Group's revenue. Revenue from online and offline sales of the "iShape (優形)" brand was approximately RMB83.0 million, representing an increase of 7.0% as compared to approximately RMB77.6 million for the first quarter of 2021, and a decrease of 19.7% as compared to approximately RMB103.4 million for the fourth quarter of 2021.

With comprehensive analysis, the results for our industry for the fourth quarter is generally better than that for the first quarter as it is affected by the Lunar New Year holidays. In the first quarter of 2022, the Group's "iShape (優形)" brand, which is under the "Three Driving Forces" channel strategy, has shown good growth, and has gone in-depth into product portfolio adjustments.

The board of directors of the Company (the "Board") hereby reminds the shareholders and potential investors of the Company that the above announcement is made based on unaudited operational data of the Group and the information to the extent available to the Group and such data or information has not been audited or reviewed by the Company's auditor or the Company's audit committee. Differences may arise between such figures and the disclosure in subsequent results announcements, financial reports and/or other relevant corporate materials.

The content of this announcement does not constitute profit alert or profit warning, and is only for the cautious reference of the shareholders and potential investors of the Company.

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

By order of the Board
Shandong Fengxiang Co., Ltd.
Liu Zhiguang
Chairman

Shandong, PRC
11 April 2022

As at the date of this announcement, the Board comprises Mr. Liu Zhiguang and Mr. Xiao Dongsheng as executive directors; Mr. Liu Xuejing and Mr. Zhang Chuanli as non-executive directors; and Mr. Guo Tianyong, Ms. Zhao Yinglin and Mr. Chung Wai Man as independent non-executive directors.