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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)**

**COMPLETION OF THE ISSUE OF NEW H SHARES  
UNDER SPECIFIC MANDATE**

**Sole Overall Coordinator, Sole Syndicate Capital Market Intermediary and Sole Placing Agent**



References are made to the announcements of Shandong Fengxiang Co., Ltd. (the “**Company**”) dated 3 May 2023, 18 May 2023, 19 May 2023 and 27 August 2023 (the “**Announcements**”) and the first supplemental circular dated 5 May 2023 of the Company (the “**Circular**”) in relation to, among other things, its proposed issue of not more than 300,000,000 new H Shares under the Specific Mandate and the subscription of new H Shares under the Specific Mandate. Unless otherwise defined, capitalised terms herein shall have the same meanings as those defined in the Announcements and the Circular.

**COMPLETION OF THE SUBSCRIPTION**

The Board is pleased to announce that all conditions precedent of the Peony Subscription Agreement and Chelt Subscription Agreement have been fulfilled, respectively and the Completion took place on 11 September 2023 in accordance with the terms and conditions of the respective Subscription Agreements. A total number of 182,618,000 Subscription Shares, of which 156,679,000 Subscription Shares and 25,939,000 Subscription Shares have been allotted and issued to Subscriber A, Platinum Peony B 2023 RSC Limited and Subscriber B, Chelt Trading Limited, respectively, pursuant to the terms and conditions of the respective Subscription Agreements, at the Subscription Price of HK\$1.5132 per Subscription Share.

The net proceeds from the Subscription, after deduction of related expenses in connection with the Subscription, will amount to approximately HK\$272 million, of which 70% should be used to improve the Company's liquidity position by way of repaying short-term borrowings of the Group; and 30% is intended to replenish the working capital of the Company, which will mainly cover the operation costs and expenses of the Company, such as costs of animal feeds, costs of accessory food for the development of processed chicken meat products, and environmental-related costs.

## FILING WITH REGULATORY AUTHORITIES IN THE PRC

The Company will file with the regulatory authorities in the PRC in accordance with the relevant applicable laws and regulations, including the filing with the CSRC for the Subscription.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The Subscription Shares represent approximately 13.04% of the issued share capital of the Company immediately before the Completion and 11.54% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. Set out below is the shareholding structure of the Company immediately before and after the Completion:

	Immediately before Completion		Immediately after Completion	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
<b>Domestic Shares</b>				
— Falcon Holding LP	992,854,500	70.92	992,854,500	62.74
— Other holders of Domestic Shares	<u>52,145,500</u>	<u>3.72</u>	<u>52,145,500</u>	<u>3.29</u>
Total Domestic Shares	<u>1,045,000,000</u>	<u>74.64</u>	<u>1,045,000,000</u>	<u>66.03</u>
<b>H Shares</b>				
<i>Non-public Shareholders</i>				
— Falcon Holding LP	217,785,505	15.56	217,785,505	13.76
— Xiao Dongsheng ( <i>Note 1</i> )	1,272,000	0.09	1,272,000	0.08
— Shi Lei ( <i>Note 1</i> )	262,000	0.02	262,000	0.02
— Wang Zhixian ( <i>Note 2</i> )	196,700	0.01	196,700	0.01
— 2020 SAS Trustee	210,000	0.02	210,000	0.01
— 2021 SAS Trustee ( <i>Note 3</i> )	<u>3,301,400</u>	<u>0.24</u>	<u>3,301,400</u>	<u>0.21</u>
Sub-total	<u>223,027,605</u>	<u>15.93</u>	<u>223,027,605</u>	<u>14.09</u>

	Immediately before Completion		Immediately after Completion	
	Number of Shares	%	Number of Shares	%
<i>Public Shareholders</i>				
— Subscriber A	—	—	156,679,000	9.90
— Subscriber B	—	—	25,939,000	1.64
— 2023 SAS Trustee ( <i>Note 4</i> )	13,543,934	0.97	13,543,934	0.86
— Other public holders of H Shares	<u>118,428,461</u>	<u>8.46</u>	<u>118,428,461</u>	<u>7.48</u>
Sub-total	<u>131,972,395</u>	<u>9.43</u>	<u>314,590,395</u>	<u>19.88</u>
Total H Shares	<u>355,000,000</u>	<u>25.36</u>	<u>537,618,000</u>	<u>33.97</u>
<b>Total issued Shares</b>	<b><u>1,400,000,000</u></b>	<b><u>100.00</u></b>	<b><u>1,582,618,000</u></b>	<b><u>100.00</u></b>

*Notes:*

- (1) A Director as at the date of this announcement.
- (2) The general manager of Fengxiang Industrial Co., Ltd., a subsidiary of the Company, at the date of this announcement.
- (3) Among such H Shares held by the 2021 SAS Trustee for the purposes of the 2021 Share Award Scheme, as at the date of this announcement, Mr. Xiao Dongsheng and Mr. Shi Lei (each a Director as at the date of this announcement) have been granted 1,944,000 and 324,000 awarded shares respectively (representing approximately 0.12% and 0.02% of all the issued Shares), all of which have not yet been vested.
- (4) The 2023 Share Award Scheme was adopted on 29 August 2023. The H Shares held by the trustee of the 2023 Share Award Scheme (the “**2023 SAS Trustee**”) for the purposes of the 2023 Share Award Scheme, as at the date of this announcement, are on behalf of the eligible participants who are not connected persons of the Company.
- (5) The aggregate percentage may not sum to total due to rounding.

## **CONTINUED SUSPENSION OF TRADING**

At the request of the Company, trading in the H Shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 2 February 2023. Trading in the H Shares of the Company will remain suspended after Completion, until further notice.

As at the date of this announcement, the public float of the Company is 19.88%, therefore, the minimum public float requirement of 25% of the Shares as set out in Rule 8.08(1)(a) of the Listing Rules is not satisfied. The Company has been proactively implementing workplans for restoration of public float and seeking for potential investors in relation to the proposed issue of new H Shares.

**The Company would like to remind the shareholders and potential investors of the Company to rationally deal with any information not officially released by the Company and to exercise caution when dealing in the shares of the Company.**

By order of the Board  
**Shandong Fengxiang Co., Ltd.**  
**Zhu Lingjie**  
*Chairman*

Shandong, the PRC, 11 September 2023

*As at the date of this announcement, the Board comprises Mr. Xiao Dongsheng and Mr. Shi Lei as executive Directors; Mr. Qiu Zhongwei, Mr. Lu Wei, Mr. Zhu Lingjie and Ms. Zhou Ruijia as non-executive Directors; and Ms. Wang Anyi, Ms. Zhao Yinglin and Mr. Chung Wai Man as independent non-executive Directors.*