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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 2023.

For the first quarter of 2023, the Group achieved unaudited total revenue of approximately RMB1,175.5 million, representing a slight decrease of 3.9% as compared to approximately RMB1,223.5 million for the first quarter of 2022, and a decrease of 4.6% as compared to approximately RMB1,231.8 million for the fourth quarter of 2022.

In terms of channels: the new centralised procurement business for the first quarter of 2023 achieved revenue of approximately RMB234.0 million, representing an increase of 15.9% as compared to approximately RMB201.8 million for the first quarter of 2022, and a decrease of 10.6% as compared to approximately RMB261.7 million for the fourth quarter of 2022; the new retail business for the first quarter of 2023 achieved revenue of approximately RMB123.6 million, representing a decrease of 36.7% as compared to approximately RMB195.2 million for the first quarter of 2022, and an increase of 2.1% as compared to approximately RMB121.1 million for the fourth quarter of 2022; the new export business for the first quarter of 2023 achieved revenue of approximately RMB265.6 million, representing a decrease of 17.0% as compared to approximately RMB320.0 million for the first quarter of 2022, and an increase of 5.5% as compared to approximately RMB251.7 million for the fourth quarter of 2022.

In terms of products: the sales volume of processed chicken meat products for the first quarter of 2023 was approximately 30,000 tons, representing an increase of 8.9% and an increase of 10.1% as compared to the first quarter of 2022 and the fourth quarter of 2022, respectively; revenue from sales of processed chicken meat products was approximately RMB600.2 million, representing an increase of 7.7% and an increase of 7.2% as compared to the first quarter of 2022 and the fourth quarter of 2022, respectively. The sales volume of raw chicken meat products for the first quarter of 2023 was approximately 51,000 tons, representing a decrease of 21.5% and a decrease of 16.3% as compared to the first quarter of 2022 and the fourth quarter of 2022, respectively; revenue from sales of raw chicken meat products was approximately RMB510.5 million, representing a decrease of 18.0% and a decrease of 17.1% as compared to the first quarter of 2022 and the fourth quarter of 2022, respectively. The non-core business, including chicken breeds, for the first quarter of 2023 achieved sales revenue of approximately RMB64.9 million.

In the first quarter of 2023, the Group's product structure was steadily optimised, with revenue of approximately RMB600.2 million from processed chicken meat products, representing 51.1% of the Group's revenue.

In the first quarter of 2023, the Group continued to promote the conversion of ground-feeding system to cage-feeding system in five broiler farms and planned to complete the conversion by 30 June 2023, by which time the rearing scale of the Group's white-feathered chicken will be further expanded.

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.
Zhu Lingjie
Chairman

Shandong, the PRC
5 May 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