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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)

SELLING DOWN BY THE CONTROLLING SHAREHOLDER

Reference is made to the announcements of Shandong Fengxiang Co., Ltd. (the “**Company**”) dated 1 February 2023, 18 April 2023, 26 April 2023 and 5 May 2023, 1 August 2023, 27 August 2023 and 11 September 2023 (collectively, the “**Announcements**”) in relation to, among others things, (i) the close of the Offers and the insufficient public float of the Company; (ii) the suspension of trading in the H Shares of the Company with effect from 9:00 a.m. on 2 February 2023; (iii) the waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules for the period from 1 February 2023 to 31 August 2023 for the Company to restore its minimum public float; (iv) the resumption guidance from the Stock Exchange received by the Company on 25 April 2023; (v) the quarterly update on resumption progress; and (vi) the Subscription. Unless otherwise defined herein or where the context otherwise requires, capitalised terms shall have the same meanings as those set out in the Announcements.

SELLING DOWN BY THE CONTROLLING SHAREHOLDER

The Company has been informed by Falcon Holding LP (“**Falcon**”), the controlling shareholder of the Company that, in order to assist the Company in restoring its public float in compliance with the relevant requirement under the Listing Rules, Falcon has completed a sale of 47,478,000 H Shares to JinYi Capital Multi-Strategy Fund SPC Ltd., an independent third party (“**JinYi Capital**”) on 15 September 2023, representing approximately 3% of the total number of issued Shares (the “**Disposal**”). JinYi Capital is a segregated portfolio company incorporated in the Cayman Islands, principally involved in market investment in leading industrial enterprises. Zhejiang Agricultural Development Industry Investment Co., Ltd.* (浙江農發產業投資有限公司) participated in the capital contribution of the H Shares purchased by JinYi Capital, which is the sole industrial investment platform of Zhejiang Rural Development Group

Company Limited* (浙江省農村發展集團有限公司) (“Nongfa Group”), a province-owned enterprise of Zhejiang Province. Nongfa Group is the only functional state-owned enterprise in Zhejiang Province focusing on food and agriculture, and a national leading enterprise in agriculture.

Set out below is the shareholding structure of the Company immediately before and after the Disposal and as at the date of this announcement:

	Immediately before completion of the Disposal		Immediately after completion of the Disposal and as at the date of this announcement	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Domestic Shares				
— Falcon Holding LP	992,854,500	62.74	992,854,500	62.74
— Other holders of Domestic Shares	<u>52,145,500</u>	<u>3.29</u>	<u>52,145,500</u>	<u>3.29</u>
Total Domestic Shares	<u>1,045,000,000</u>	<u>66.03</u>	<u>1,045,000,000</u>	<u>66.03</u>
H Shares				
<i>Non-public Shareholders</i>				
— Falcon Holding LP	217,785,505	13.76	170,307,505	10.76
— Other core connected persons	<u>5,242,100</u>	<u>0.33</u>	<u>5,242,100</u>	<u>0.33</u>
Sub-total	<u>223,027,605</u>	<u>14.09</u>	<u>175,549,605</u>	<u>11.09</u>
<i>Public Shareholders</i>				
— JinYi Capital	—	—	47,478,000	3.00
— Subscribers	182,618,000	11.54	182,618,000	11.54
— Other holders of H Shares	<u>131,972,395</u>	<u>8.34</u>	<u>131,972,395</u>	<u>8.34</u>
Sub-total	<u>314,590,395</u>	<u>19.88</u>	<u>362,068,395</u>	<u>22.88</u>
Total H Shares	<u>537,618,000</u>	<u>33.97</u>	<u>537,618,000</u>	<u>33.97</u>
Total issued Shares	<u>1,582,618,000</u>	<u>100.00</u>	<u>1,582,618,000</u>	<u>100.00</u>

PUBLIC FLOAT

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, JinYi Capital is not a core connected person (as defined under the Listing Rules) of the Company, and is member of the public (within the meaning of Rule 8.24 of the Listing Rules). As at the date of this announcement, 362,068,395 H Shares, representing approximately 22.88% of the issued Shares, are held by the public. Accordingly, the Company has to further increase its public float in order to fulfil the minimum public float requirement of 25% under Rule 8.08(1) of the Listing Rules.

As disclosed in the Announcements, the Company and Falcon have been taking appropriate steps to restore the public float of the Company and to fully comply with the Listing Rules to the Stock Exchange's satisfaction.

Trading in the H Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 2 February 2023 and will remain suspended until further notice. Further announcement(s) will be made by the Company regarding the restoration of the public float as and when appropriate.

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 of Directors
Shandong Fengxiang Co., Ltd.
Zhu Lingjie
Chairman

Shandong, the PRC, 20 September 2023

As at the date of this announcement, the Board of Directors 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.

* *For identification purposes only*