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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)**

**ANNOUNCEMENT  
UPDATES ON THE STATUS OF THE PUBLIC FLOAT  
AND  
APPLICATION FOR EXTENSION OF WAIVER FROM STRICT  
COMPLIANCE WITH RULE 8.08(1)(a) OF THE LISTING RULES**

Reference is made to the announcements of Shandong Fengxiang Co., Ltd. (the “**Company**”) dated 1 February 2023, 18 April 2023, 26 April 2023, 5 May 2023, 1 August 2023, 27 August 2023, 11 September 2023, 20 September 2023 and 6 October 2023 (collectively, the “**Announcements**”) in relation to, among other things, (i) the close of the Offers and the insufficient public float of the Company; (ii) the suspension of trading in the H Shares 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; (vi) the Subscription, (vii) the Disposal and (viii) the Further Disposal. Unless otherwise defined herein or where the context otherwise requires, capitalised terms shall have the same meanings as those set out in the Announcements.

As stated in the Announcements, immediately following the close of the Offers, taking into account the valid acceptances, the Offeror and the parties acting in concert with it are interested in a total of 1,210,640,005 Shares (comprising 992,854,500 Domestic Shares and 217,785,505 H Shares), representing approximately 86.47% of the issued Shares as at the date of the Close of Offers Announcement. Accordingly, 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 as at the date of the Close of Offers Announcement and

trading in the H Shares of the Company has been suspended with effect from 9:00 a.m. on 2 February 2023 at the request of the Company since the percentage of public float fell below 15% following the close of the Offers.

The directors of Falcon Holding GP Limited (being the general partner of the Offeror), for and on behalf of the Offeror, have undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares, which may include issuance of new Shares by the Company or placing down part of the interest that the Offeror or its parties acting in concert with it hold in the Company following the close of the Offers, to ensure the minimum percentage of the Shares as required under Rule 8.08(1)(a) of the Listing Rules to the public. To restore the public float by placing down, the Offeror may either directly dispose of, transfer, or engage a placing agent for placing of, the Shares held by the Offeror or its concert parties. In addition, the Directors of the fifth session of the Board of Directors have jointly and severally undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

The Company has applied to the Stock Exchange for a temporary waiver from strict compliance with the requirements under Rule 8.08(1)(a) of the Listing Rules for a period from 1 February 2023 to 31 August 2023 (the “**Waiver**”). On 17 April 2023, the Stock Exchange has granted the Company the Waiver.

## **UPDATES ON THE STATUS OF THE PUBLIC FLOAT**

The Board has resolved to allot and issue not more than 300,000,000 new H Shares to parties who are not connected persons and would constitute the public shareholders of the Company at an issue price of not lower than HKD1.5132 per H Share, and the specific mandate has been approved by the shareholders at the annual general meeting, and the class meetings of the holders of H Shares and domestic Shares held on 19 May 2023. On 18 May 2023, the Company appointed CMB International Capital Limited as its sole overall coordinator, sole syndicate capital market intermediary and sole placing agent for the issue of H Shares. Please refer to the Company’s announcements dated 3 May 2023, 18 May 2023 and 19 May 2023, and the first supplemental circular of the Company dated 5 May 2023 for details of the proposed issue of H Shares under specific mandate and the poll results of the special resolution approving the same.

The Company entered into two subscription agreements on 26 September 2023, pursuant to which the Company has allotted and issued 182,618,000 H Shares to two subscribers, representing approximately 11.54% of the issued share capital of the Company as at the date of this announcement. Please refer to the Company’s announcements dated 27 August 2023 and 11 September 2023 for details of the Subscription.

In order to assist the Company in restoring its public float in compliance with the relevant requirement under the Listing Rules, the Offeror has completed sales of 80,520,000 H Shares, representing approximately 5.09% of the issued share capital of the Company as at the date of this announcement. Please refer to the Company's announcements dated 20 September 2023 and 6 October 2023.

To the best knowledge, information and belief of the Directors, as at the date of this announcement, 395,110,395 H Shares, representing approximately 24.97% of the issued Shares, are held by the public (within the meaning of the Listing Rules), which is below 25% of the total issued share capital of the Company held by the public as prescribed by Rule 8.08(1)(a) of the Listing Rules.

### **APPLICATION FOR EXTENSION OF WAIVER FROM STRICT COMPLIANCE WITH RULE 8.08(1)(A) OF THE LISTING RULES**

The Company and the Offeror have placed tremendous efforts to restore the Company's public float as required under Rule 8.08(1)(a) of the Listing Rules and resume the trading in H Shares as soon as practicable. Based on the latest development, most of the potential investors that have shown interest to invest into the Company are PRC institutional investors and certain potential PRC institutional investors may adopt the Qualified Domestic Limited Partnership (QDLP) or the Qualified Domestic Investment Entity (QDIE) program for the purpose of subscribing or purchasing the Company's H Shares. As such, the Company expects that those potential investors would most likely require the overseas direct investment ("ODI") approval, filing and registration, and foreign exchange control-related registration for completing the subscription or purchase of the Company's H Shares. Therefore, time required for completion of the subscription or purchase of the Company's H Shares will depend on the identity, needs, practicality and any regulatory approvals or filings that may be required from the potential investors' perspective, which may take three to four months or even longer, subject to the specific circumstances of such potential investors and local practices where the ODI approval, filing or registration and the foreign exchange registration need to be made. Meanwhile, in view of the recent volatile and adverse capital market conditions, it is also expected that time required to persuade suitable investors and solicit sufficient demand in the Shares maybe longer.

Based on the above, more time is required to implement the plan for restoring the public float. The Waiver has expired on 31 August 2023. The Company has applied to the Stock Exchange for an extension of waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules for the period commencing from 1 September 2023 to 31 December 2023 (the "**Extended Waiver Period**"). On 3 October 2023, the Stock Exchange has granted an extension of the waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules for the Extended Waiver Period, subject to the issue of

this announcement. The Stock Exchange may withdraw or change the waiver if the Company's situation changes. The Company and the Offeror will continue to use their reasonable endeavours to restore public float as soon as practicable.

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, 9 October 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.*