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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)

QUARTERLY UPDATE ON RESUMPTION PROGRESS

This announcement is made by Shandong Fengxiang Co., Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 1 February 2023, 18 April 2023, 26 April 2023 and 5 May 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 (the “**Resumption Guidance**”); and (v) the quarterly update on resumption progress. Unless otherwise defined herein or where the context otherwise requires, capitalised terms shall have the same meanings as those set out in the Announcements.

UPDATE ON RESUMPTION PROGRESS

Pursuant to Rule 13.24A of the Listing Rules, the board of directors of the Company (the “**Board**”) wishes to update the Company’s shareholders and potential investors that, as at the date of this announcement, the latest developments of the Group and the progress of fulfilling the Resumption Guidance are as follows:

Business Operations

The Group produces and sells processed chicken meat products and raw chicken meat products mainly from white-feathered broilers. The main products include (i) processed chicken meat products; (ii) raw chicken meat products; (iii) chicken breeds; and (iv) others. Apart from its leading domestic market position in the PRC, the Group has an established and growing export business supplying a wide range of premium quality chicken meat products to overseas customers in Japan, Malaysia, Europe, the Middle East, Korea, Mongolia and Singapore.

On 11 July 2023, the Company has published an announcement on positive profit alert. Based on the information currently available and the preliminary assessment of the Group’s latest unaudited consolidated management accounts for the six months ended 30 June 2023, the Group is expected to record a net profit of approximately RMB80 million. Please refer to the Company’s announcement dated 11 July 2023 for details of the positive profit alert.

As at the date of this announcement, the business operations of the Group are continuing as usual in all material aspects notwithstanding the suspension of trading in the H shares of the Company. Please refer to the Company’s announcement dated 5 May 2023 for details of the latest business developments regarding the Group for the first quarter of 2023.

Status on the Restoration of Public Float

In order to satisfy the Resumption Guidance, the Company has been taking appropriate steps to restore its 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. As such, 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 (“**CMBI**”) as its sole overall coordinator, sole syndicate capital market intermediary and sole placing agent for the issue of H shares. As at the date of this announcement, the Company and CMBI have not entered into any placing agreement in relation to 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.

As at the date of this announcement, the Company has been proactively formulating and finalising workplans for restoration of public float and seeking for potential investors in relation to the proposed issue of new H shares.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the 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 shares of the Company will remain suspended until further notice.

The Company will publish further announcement(s) to inform the shareholders of its progress in complying with the Resumption Guidance, the status of restoration of the minimum public float requirement, as well as quarterly updates on its development pursuant to Rule 13.24A of the Listing Rules.

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, 1 August 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.