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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)

PROFIT WARNING

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

The Company wishes to inform its shareholders (the “**Shareholders**”) and potential investors that, based on the information currently available and the preliminary assessment of the Group’s latest unaudited consolidated management accounts for the year ended 31 December 2021 (the “**FY2021 Results**”), the Group is expected to record a decrease in profit in a range of 70% to 80% as compared to the audited consolidated net profit of approximately RMB178.8 million for the year ended 31 December 2020 (restated figures in accordance with the China Accounting Standards for Business Enterprises). The board of directors of the Company (the “**Board**”) believes that the main reasons for the profit decline are primarily attributable to (i) the increase in the costs of animal feed due to the year-on-year increase in the price of raw materials such as corn and soybean meal; (ii) the increase in selling and marketing expenses as a result of the increase in resources invested by the Group in its new retail business; and (iii) the decrease in the selling prices of raw chicken meat products due to the impact of COVID-19 epidemic which led to a drop in the demand for such products. Nevertheless, the Group expects to record an increase of approximately 13.2% in revenue as compared to the audited revenue of approximately RMB3,901.6 million for the year ended 31 December 2020.

As at the date of this announcement, the Group is still in the process of finalising the FY2021 Results. The information contained herein is only based on a preliminary assessment of the information currently available to the Company’s management and such information have not been confirmed and reviewed by the Company’s audit committee and have not been audited by the Company’s auditors.

Shareholders and potential investors are advised to read carefully the annual results announcement for the FY2021 Results, which is expected to be released before the end of March 2022.

Shareholders and potential investors are advised to exercise caution when dealing in securities of the Company.

By order of the Board
Shandong Fengxiang Co., Ltd.
Liu Zhiguang
Chairman

Shandong, the PRC
11 March 2022

As at the date of this announcement, the Board comprises Mr. Liu Zhiguang, Mr. Xiao Dongsheng and Mr. Wang Jinsheng as executive directors; Mr. Liu Xuejing, Mr. Zhang Chuanli and Mr. Ow Weng Cheong as non-executive directors; and Mr. Guo Tianyong, Ms. Zhao Yinglin and Mr. Chung Wai Man as independent non-executive directors.