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凤祥食品

FALCON HOLDING LP

(limited partnership formed in the Cayman Islands)

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)

JOINT ANNOUNCEMENT

RESULTS OF VALID ACCEPTANCES RECEIVED FOR THE OFFERS AS AT THE RECORD DATE

- (1) UNCONDITIONAL MANDATORY CASH OFFER BY CMB INTERNATIONAL CAPITAL LIMITED FOR AND ON BEHALF OF THE OFFEROR FOR ALL THE ISSUED H SHARES IN SHANDONG FENGXIANG (OTHER THAN THOSE ALREADY OWNED BY OR AGREED TO BE ACQUIRED BY THE OFFEROR);**
- (2) UNCONDITIONAL MANDATORY CASH OFFER BY THE OFFEROR FOR ALL THE ISSUED DOMESTIC SHARES IN SHANDONG FENGXIANG (OTHER THAN THOSE ALREADY OWNED BY OR AGREED TO BE ACQUIRED BY THE OFFEROR); AND**
- (3) PROPOSED VOLUNTARY WITHDRAWAL OF LISTING OF THE H SHARES OF SHANDONG FENGXIANG**

Financial adviser to the Offeror



Financial adviser to Shandong Fengxiang



References are made to (i) the announcements dated 28 October 2022, 17 November 2022, 20 December 2022 and 28 December 2022 (collectively, the “**Announcements**”); and (ii) the composite offer and response document dated 28 December 2022 (the “**Composite Document**”) jointly issued by the Offeror and Shandong Fengxiang in relation to the Offers and the Delisting Resolution. Unless otherwise defined, capitalised terms herein shall have the same meanings as those defined in the Composite Document.

RESULTS OF VALID ACCEPTANCES FOR THE OFFERS

As at the Record Date, being 13 January 2023, valid acceptances of the H Share Offer had been received in respect of 22,167,000 H Shares, which represent approximately 6.66%, 6.24% and 1.58% of the H Shares held by the Independent H Shareholders (excluding the 22,167,000 H Shares which have been validly tendered for acceptance under the H Share Offer as at the date of this joint announcement), the issued H Shares and the issued Shares, respectively, as at the date of this joint announcement.

As at the Record Date, being 13 January 2023, no valid acceptances of the Domestic Share Offer had been received.

Before the commencement of the Offer Period, neither the Offeror nor parties acting in concert with it owned or had control or direction over any interests in the Shares, options, derivatives, warrants, other securities convertible into Shares, or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of Shandong Fengxiang.

As at the date of this joint announcement:

- save for the total of 992,854,500 Domestic Shares (representing approximately 70.92% of the issued Shares) acquired by the Offeror pursuant to the SPA (as amended and restated by the Supplemental SPA) and the valid acceptance in respect of 22,167,000 H Shares under the Offers, none of the Offeror and parties acting in concert with it has acquired or agreed to acquire any Shares or the rights over Shares during the Offer Period; and
- neither the Offeror nor any parties acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22) in Shandong Fengxiang.

Given the valid acceptances as at the Record Date, (a) the Offeror and the parties acting in concert with it are interested in a total of 1,015,021,500 Shares (representing approximately 72.50% of the issued Shares), comprising 992,854,500 Domestic Shares (representing approximately 95.01% of the issued Domestic Shares) and 22,167,000 H Shares (representing approximately 6.24% of the issued H Shares) as at the Record

Date; and (b) a total of 332,833,000 H Shares held by the Independent H Shareholders (representing approximately 93.76% and 23.77% of the issued H Shares and issued Shares) remain entitled to attend and vote at the Shareholders Meetings.

OFFERS TO REMAIN OPEN FOR ACCEPTANCES

The Offers will initially be open for acceptances for 21 days from the date of the Composite Document. The First Closing Date is Wednesday, 18 January 2023 (or such later date in accordance with the requirements under the Takeovers Code). The Offeror may revise or extend the Offers in accordance with the Takeovers Code. The Offeror and Shandong Fengxiang will jointly issue an announcement through the websites of the Stock Exchange and Shandong Fengxiang no later than 7:00 p.m. on Wednesday, 18 January 2023 stating whether the Offers have been revised or extended.

Assuming that the Delisting Resolution is not approved at any of the Shareholders Meetings on the First Closing Date, each of the H Share Offer and the Domestic Share Offer will be extended to Wednesday, 1 February 2023 (or any other date permitted under the Takeovers Code and by the Executive).

Assuming that the Delisting Resolution is approved and the Delisting Acceptance Condition is satisfied on the First Closing Date, the Offers will be extended to Wednesday, 15 February 2023 as each of the H Share Offer and the Domestic Share Offer shall remain open for acceptance for at least 28 days after the First Closing Date.

Assuming that the Delisting Resolution is approved at the Shareholders Meetings, but the Delisting Acceptance Condition is not satisfied on the First Closing Date, the Offeror reserves the right to extend the H Share Offer and the Domestic Share Offer till Friday, 28 April 2023, being the date falling four (4) months from the posting of the Composite Document and the latest time for the Delisting Acceptance Condition to be satisfied.

Independent Shareholders are advised to refer to the Composite Document and the Forms of Acceptance for details of the acceptance procedures if they wish to accept the Offers.

NO RIGHT OF COMPULSORY ACQUISITION

The Offeror has no rights under the laws of the PRC and the articles of association of Shandong Fengxiang to compulsorily acquire the H Shares that are not tendered for acceptance pursuant to the H Share Offer. Independent H Shareholders are reminded that if they do not accept the H Share Offer and the H Shares are delisted from the Stock Exchange, subject to the satisfaction of the requirements for the Delisting Resolution in accordance with Rule 2.2 of the Takeovers Code and the satisfaction of all other Listing Rules requirements, this will result in the Independent H Shareholders holding securities that are not listed on the Stock Exchange and the liquidity of the H

Shares may be severely reduced. In addition, after the completion of the Offers, Shandong Fengxiang may or may not continue to be subject to the requirements under the Listing Rules, and may or may not continue to be subject to the Takeovers Code depending on whether it remains as a public company in Hong Kong for the purposes of the Takeovers Code.

Independent Shareholders should also note that if they do not agree to the proposal relating to the Delisting Resolution, they can vote against the Delisting Resolution at the Shareholders Meetings. If more than 10% of the votes attaching to the H Shares held by Independent H Shareholders and/or more than 10% of the votes attaching to the Shares held by the Independent Shareholders voted against the Delisting Resolution, Shandong Fengxiang would remain listed on the Stock Exchange. For the avoidance of doubt, the Offers are not conditional on the approval of the Delisting Resolution.

Independent H Shareholders are advised to exercise caution when taking the associated risks into consideration.

WITHDRAWAL OF LISTING

Upon the approval of the Delisting Resolution and the satisfaction of the Delisting Acceptance Condition, Shandong Fengxiang will make an application to delist Shandong Fengxiang from the Stock Exchange in accordance with Rule 6.12 of the Listing Rules. It is currently expected that the withdrawal of listing of the H Shares from the Stock Exchange would take place at 4:00 p.m. on Thursday, 16 February 2023, subject to the Delisting Resolution being approved and satisfaction of the Delisting Acceptance Condition, and receipt of any regulatory approvals required for such delisting.

By order of the board of directors of
Falcon Holding GP Limited
acting in its capacity as general partner
for and on behalf of
Falcon Holding LP

By order of the board of directors
Shandong Fengxiang Co., Ltd.
Shi Lei
Executive director and company secretary

Shandong, the PRC, 13 January 2023

As at the date of this joint announcement, the board of Directors comprises Mr. Liu Zhiguang, Mr. Xiao Dongsheng, Ms. Zhou Jinying and Mr. Shi Lei as executive Directors; Mr. Liu Xuejing and Mr. Zhang Chuanli as non-executive Directors; and Mr. Guo Tianyong, Ms. Zhao Yinglin and Mr. Chung Wai Man as independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement to the extent that it relates to Shandong Fengxiang and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed by the Directors in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the general partner of the Offeror is Falcon Holding GP Limited. As at the date of this joint announcement, the directors of Falcon Holding GP Limited are David Jaemin Kim, Sujey Subramanian and Koichi Ito.

As at the date of this joint announcement, the directors of PAG Asia Capital GP IV Limited (being the general partner of PAG Fund IV) are Jon Robert Lewis, Derek Roy Crane, David Alan Fowler and Noel Patrick Walsh.

The directors of Falcon Holding GP Limited and PAG Asia Capital GP IV Limited jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than information relating to Shandong Fengxiang) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

In the case of inconsistency, the English text of this joint announcement shall prevail over the Chinese text.