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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

SUPPLEMENTAL SPA IN RELATION TO THE ACQUISITION OF APPROXIMATELY 70.92% SHAREHOLDING IN SHANDONG FENGXIANG BY THE OFFEROR

Financial adviser to the Offeror



Financial adviser to Shandong Fengxiang



BACKGROUND

References are made to (i) the joint announcement of Falcon Holding LP (the “**Offeror**”) and Shandong Fengxiang Co., Ltd. (“**Shandong Fengxiang**”) dated 28 October 2022 pursuant to Rule 3.5 of the Takeovers Code (the “**Rule 3.5 Announcement**”); and (ii) the joint announcement of the Offeror and Shandong Fengxiang dated 17 November 2022 in relation to the delay in despatch of the Composite Document (the “**Delay in Despatch Announcement**”). Unless otherwise defined, capitalised terms herein shall have the same meanings as those defined in the Rule 3.5 Announcement.

SUPPLEMENTAL SPA

On 19 December 2022, the Offeror, the Administrator, and the Controlling Shareholders entered into a supplemental agreement to the sale and purchase agreement (the “**Supplemental SPA**”) to amend certain terms of the SPA as described in the Rule 3.5 Announcement.

Pursuant to the Supplemental SPA:

- (i) the arrangements in relation to the Post-Transfer Settlement in the Rule 3.5 Announcement has also been amended. Under the amended arrangements:
 - (a) within five (5) days after the Sale Shares Transfer and the opening of the relevant Asset Realisation Accounts (or such other date as agreed between the Offeror and the Administrator), the Offeror shall pay the Acquisition Consideration less RMB272,000,000 (being RMB1,100,279,100, the “**First Payment**”) proportionately into each of the Asset Realisation Accounts. The First Payment Date shall be paid out of the Escrow Account; and
 - (b) the Offeror shall initiate wire transfer procedure to pay the remaining RMB272,000,000 in the Acquisition Consideration (the “**Remaining Balance**”) proportionately into each of the Asset Realisation Accounts within five (5) business days after and conditional upon the satisfaction of the following conditions (provided that the condition under (C) below may be satisfied on the date of payment of the Remaining Balance):
 - (A) the completion of the Offeror paying the First Payment as described under sub-paragraph (a) above, and the removal of the Administrator or the designated person of the Administrator from the approval process for the use or storage of various company chops of Shandong Fengxiang and the provision of the signed copies of all necessary documents for the purposes of effecting the registration for a change in the legal representative of Shandong Fengxiang to the Offeror, as described under sub-paragraph (iii) of the paragraph headed “Post-Transfer Settlement” in the Rule 3.5 Announcement, and there is no ongoing legal proceedings among the parties in relation to the transactions contemplated under the SPA;
 - (B) a related party of the Offeror having deposited into a company wholly-owned by such related party of the Offeror incorporated in Shandong Province an amount equal to RMB172,000,000 as earnest money in order to demonstrate the Offeror’s sincerity to complete the transactions

contemplated under the SPA. Such earnest money will be returned to the related party of the Offeror closer to the date of payment of the Remaining Balance; and

- (C) the Administrator having complied with the actions required for it to refund the Security Deposit to a related party of the Offeror; and
- (ii) the Security Deposit shall be returned in full by the Administrator to the onshore related party of the Offeror (as the Offeror's agent), as described in sub-paragraph (ii) of the paragraph headed "Post-Transfer Settlement" in the Rule 3.5 Announcement, on the date of payment of the Remaining Balance.

For the avoidance of doubt, the signing of the Supplemental SPA and the amendments thereunder will not affect the amount of Acquisition Consideration paid or payable to the Administrator and the Controlling Shareholders.

Save as disclosed above, the terms and conditions of the SPA shall remain unchanged and continue to be in full force and effect.

Further announcement(s) will be made upon the Sale Shares Transfer as and when appropriate in accordance with the Takeovers Code and/or the Listing Rules.

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, 20 December 2022

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.