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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)**

## **PROPOSED AMENDMENTS TO THE SHARE SCHEMES**

References are made to the announcements of the Company dated 10 December 2021 and 29 August 2023 in relation to the adoption of the 2021 SAS and the 2023 SAS, and the amendments to the 2021 SAS. The Board announced that the following matters will be proposed to the AGM for the approval by the Shareholders:

### **BACKGROUND OF THE SHARE SCHEMES**

In order to recognise the contributions by certain employees of the Group and to provide them with incentives so as to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group, the Company adopted two share award schemes, being the 2021 SAS and 2023 SAS on 10 December 2021 and 29 August 2023, respectively.

Pursuant to the 2021 SAS, the Board granted an aggregate of 23,487,800 Awarded Shares to 63 Selected Participants, of which 13,582,071 were yet to be vested as at the date of this announcement.

Pursuant to the 2023 SAS, no Awarded Shares have been granted as at the date of this announcement.

## **PROPOSED AMENDMENTS TO THE SHARE SCHEMES**

The key changes entailed by the proposed amendments to the Share Schemes are set out below:

- (i) to allow the Amended Share Schemes to involve the grant of Awarded Shares by new H Shares and/or existing H Shares in issue;
- (ii) to adopt the Scheme Mandate Limit;
- (iii) to specify that the total number of H Shares which may be acquired (whether by subscription as new H Shares and/or purchase/acceptance of existing H Shares in issue) in respect of all awards and/or options to be granted under the Relevant Schemes under the Scheme Mandate Limit as “refreshed” shall not exceed 10% of the total number of issued Shares as at the date of approval of the refreshing of the Scheme Mandate Limit by the Shareholders;
- (iv) to require approval by the Shareholders for refreshment of the Scheme Mandate Limit after three years from the date of the Shareholders’ approval for the last refreshment (or as the case may be, the Amendment Date);
- (v) to require approval by independent Shareholders for refreshment of the Scheme Mandate Limit within a three-year period from the date of the Shareholders’ approval for the last refreshment (or as the case may be, the Amendment Date);
- (vi) to allow the Company to grant an Award to any Selected Participant at nil or such consideration subject to such terms and conditions as the Board may in its sole and absolute discretion determine; and
- (vii) to include other amendments for house-keeping purposes and to better align the wording among the Amended Share Schemes and with that of the Listing Rules.

The Amended Share Schemes will constitute share schemes involving issue of new shares by the Company under Chapter 17 of the Listing Rules. The proposed amendments to the Share Schemes and the Scheme Mandate Limit will be subject to approval by the Shareholders in general meeting.

Subject to laws, regulations and requirements of the relevant regulatory authorities which require the approval of Shareholders at the general meeting, the Company will propose at the AGM for the Shareholders to authorise the Board to administer the Share Schemes and to formulate or amend from time to time the provisions for the administration and implementation of the Share Schemes in a manner consistent with the terms of the Share Schemes.

## **CONDITIONS OF THE AMENDED SHARE SCHEMES**

The Amended Share Schemes shall come into effect on the date on which the following conditions are fulfilled:

- (i) the passing of resolutions by the Shareholders to approve the proposed amendments to the Share Schemes and the Scheme Mandate Limit and to authorise the Board to grant Awards under the Amended Share Schemes and to allot, issue and deal with H Shares pursuant to the grant of any Awards in accordance with the terms and conditions of the Amended Share Schemes; and
- (ii) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in such number of H Shares representing this Scheme Mandate Limit to be allotted and issued by the Company pursuant to any grant of any Awards in accordance with the terms and conditions of the Amended Share Schemes.

## **GENERAL**

A special resolution in relation to the proposed amendments to the Share Schemes and the adoption of the Scheme Mandate Limit will be proposed at the general meeting for the approval by the Shareholders.

A circular will be despatched to the Shareholders as soon as practicable in accordance with relevant requirements of the Articles of Association and the Listing Rules setting out, among other things, further details of the proposed amendments to the Share Schemes and the adoption of the Scheme Mandate Limit.

## **DEFINITIONS**

“2021 Employee Participant(s)” in accordance with the 2021 SAS, employees (including full-time employees and part-time employees) of any members of the Group (including persons who are granted Awards under the 2021 SAS as an inducement to enter into employment contracts with any members of the Group). For the avoidance of doubt, Employee Participant should include employee of any members of the Group, who are also Director, supervisor, chief executive, substantial shareholder of the Company, or any of their respective associates or any other person that may otherwise be regarded as a connected person of the Company

“2021 SAS”	the share award scheme of the Company adopted on 10 December 2021, constituted by the rules relating to such scheme in its present form or as amended from time to time in accordance with the provisions thereof
“2021 Trust Deed”	the trust deed entered into between the Company as settlor and the Trustee as trustee of the Trust on 10 December 2021, and as amended on 29 August 2023 (as restated, supplemented and amended from time to time)
“2023 Employee Participant(s)”	in accordance with the 2023 SAS, employees (including full-time employees and part-time employees) of any member of the Group (including persons who are granted Awards under the 2023 SAS as an inducement to enter into employment contracts with any member of the Group). For the avoidance of doubt, Employee Participant should exclude any Director, supervisor, chief executive, substantial shareholder of the Company, or any of their respective associates or any other person that may otherwise be regarded as a connected person of the Company
“2023 SAS”	the share award scheme of the Company adopted on 29 August 2023, constituted by the rules relating to such scheme in its present form or as amended from time to time in accordance with the provisions thereof
“2023 Trust Deed”	the trust deed entered into between the Company as settlor and the Trustee as trustee of the Trust on 29 August 2023 (as restated, supplemented and amended from time to time)
“AGM”	the annual general meeting of the Company to be held at 2nd Floor, Fengxiang Gufen Building, Anle Town, Yanggu County, Liaocheng City, Shandong Province, the PRC on Wednesday, 5 June 2024 at 9:30 a.m., or any adjournment thereof
“Amended Share Schemes”	the amended and restated Share Schemes proposed by the Board to seek approval from the Shareholders at the AGM

“Amendment Date”	the date on which the Company amended the respective Scheme Rules, which proposed amendments are approved by the Shareholders at the AGM
“Articles of Association”	the articles of association of the Company (as adopted or amended from time to time)
“Award”	an award of the awarded interests by the Board to a Selected Participant in accordance with the respective Scheme Rules
“Awarded Share(s)”	in respect of a Selected Participant, such number of H Shares as awarded to him/her by the Board, which may include new H Shares as well as existing H Shares in issue
“Board”	the board of Directors of the Company and if the context so permits, it shall include such committee or sub-committee of the board of directors as delegated with the power and authority from time to time to administer the Amended Share Schemes and/or to deal with the Trust/Trustee under the supervision of the board of directors of the Company
“Company”	Shandong Fengxiang Co., Ltd. (山東鳳祥股份有限公司), a joint stock company established in the People’s Republic of China with limited liability on 17 December 2010, the H Shares of which are listed on the Main Board of the Stock Exchange (stock code: 9977)
“Director(s)”	all director(s) of the Company
“Eligible Participant(s)”	in accordance with the respective Scheme Rules, any individual being an 2021 Employee Participant and/or 2023 Employee Participant (as the case may be) at any time during the trust period
“Group”	the Company and its subsidiaries from time to time, and “member of the Group” means any or a specific one of them

“H Share(s)”	overseas listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in HKD and listed on the Stock Exchange
“HKD”	the lawful currency of Hong Kong
“Listing Committee”	listing sub-committee of the board of directors of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China but excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Relevant Schemes”	the Share Schemes and any other schemes (excluding the share award scheme of the Company adopted on 26 June 2020, which was prior to the listing of the H shares of the Company on the Stock Exchange, constituted by the rules relating to such scheme in its present form or as amended from time to time in accordance with the provisions thereof) involving subscription for new H Shares and/or purchase/acceptance of existing H Shares in issue adopted and to be adopted by the Company from time to time
“RMB”	the lawful currency of the PRC
“Scheme Mandate Limit”	the total number of H Shares which may be acquired (whether by subscription as new H Shares and/or purchase/acceptance of existing H Shares in issue) in respect of all awards and/or options to be granted under the Relevant Schemes, which shall not exceed 10% of the issued Shares as at the Amendment Date
“Scheme Rules”	the rules relating to the 2021 SAS and/or the 2023 SAS (as the case may be) in its present form or as amended from time to time in accordance with the provisions thereof

“Selected Participant(s)”	in accordance with the respective Scheme Rules, Eligible Participant(s) selected by the Board for participation in the Amended Share Schemes (or his/her legal personal representative or lawful successor as the case may be)
“Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB and the H Share(s)
“Shareholder(s)”	the registered holder(s) of the Shares
“Share Schemes”	the 2021 SAS and/or the 2023 SAS (as the case may be)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trust(s)”	the trust(s) constituted by the 2021 Trust Deed and/or the 2023 Trust Deed (as the case may be)
“Trust Deed(s)”	the 2021 Trust Deed and/or the 2023 Trust Deed (as the case may be)
“Trustee”	the trustee as appointed under the Trust Deeds to act as trustee of the Trust, and any additional or replacement trustees, being the trustee or trustees for the time being of the trusts declared in the Trust Deeds
“%”	per cent

By order of the Board  
**Shandong Fengxiang Co., Ltd.**  
**Zhu Lingjie**  
*Chairman*

Shandong, the PRC, 21 May 2024

*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.*