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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

DESPATCH OF THE COMPOSITE DOCUMENT RELATING TO

**(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 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; (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; (iii) the joint announcement of the Offeror and Shandong Fengxiang dated 20 December 2022 in relation to the Supplemental SPA; (iv) the joint announcement of the Offeror and Shandong Fengxiang dated 20 December 2022 in relation to the completion of the Acquisition; and (v) 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.

DESPATCH OF THE COMPOSITE DOCUMENT

The Composite Document containing, among other things, (i) the terms and conditions of the Offers; (ii) the expected timetable; (iii) the letter from CMBI; (iv) the letter from the Board; (v) the letter from the Independent Board Committee setting out its recommendations to the Independent Shareholders in relation to the Offers and the Delisting Resolution; (vi) the letter from Gram Capital containing its advice to the Independent Board Committee in relation to the Offers and the Delisting Resolution; and (vii) notices of the General Meeting and the H Share Class Meeting, together with the accompanying Forms of Acceptances, has been despatched to the Shareholders on 28 December 2022 in accordance with the Takeovers Code.

EXPECTED TIMETABLE

The expected timetable set out below is indicative only and may be subject to changes. Any change to the timetable will be jointly announced by the Offeror and Shandong Fengxiang by way of announcement(s) as soon as possible. Unless otherwise expressly stated, all references to dates and times contained in this joint announcement refer to Hong Kong dates and times.

Despatch date of the Composite Document
and the accompanying Forms of Acceptance,
the notices and proxy forms
for the Shareholders Meetings
and commencement date of the Offers⁽²⁾ Wednesday, 28 December 2022

Latest time for lodging transfers of the H Shares
and the Domestic Shares in order to
be entitled to attend and vote
at the Shareholders Meetings..... 4:30 p.m., Thursday, 12 January 2023

Record Date for the determination
of entitlements of the Shareholders
to attend and vote at the Shareholders Meetings Friday, 13 January 2023

Announcement of the results of
valid acceptances received
for the Offers as at the Record Date Friday, 13 January 2023

Closure of the registers of Shandong Fengxiang
for the determination of entitlements of
the Shareholders to attend and
vote at the Shareholders Meetings Friday, 13 January 2023 to
Wednesday, 18 January 2023

Latest time for lodging proxy form(s)
in respect of the General Meeting⁽³⁾ 9:00 a.m., Tuesday, 17 January 2023

Latest time for lodging proxy form(s)
in respect of the H Share Class Meeting⁽³⁾ 9:00 a.m., Tuesday, 17 January 2023

General Meeting 9:00 a.m., Wednesday, 18 January 2023

H Share Class Meeting 10:00 a.m., Wednesday, 18 January 2023
(or immediately after the conclusion
or adjournment of the General Meeting)

Announcement of the results
of the Shareholders Meetings by 7:00 p.m., Wednesday, 18 January 2023

First Closing Date Wednesday, 18 January 2023

Latest time for acceptance of the Offers
on the First Closing Date⁽⁵⁾⁽⁶⁾ 4:00 p.m., Wednesday, 18 January 2023

Announcement of the results of the Offers
on the First Closing Date by 7:00 p.m., Wednesday, 18 January 2023

Re-opening of the registers
of Shandong Fengxiang Thursday, 19 January 2023

*Assuming the Delisting Resolution is approved and the Delisting Acceptance Condition
is satisfied on the First Closing Date:*

Last day of trading in the H Shares
on the Stock Exchange Wednesday, 8 February 2023

Final Closing Date^(4a) Wednesday, 15 February 2023

Latest time for acceptance of the Offers
on the final Closing Date and closing
of the Offers 4:00 p.m., Wednesday, 15 February 2023

Announcement of the results of the Offers
on the final Closing Date by 7:00 p.m., Wednesday, 15 February 2023

Expected time and date of withdrawal
of the listing of the
H Shares from the Stock Exchange⁽⁷⁾ 4:00 p.m., Thursday, 16 February 2023

Latest date for posting of remittances for the amounts
due under the H Share Offer in respect
of valid acceptance received at or before
the latest time for acceptances of the Offers
on the final Closing Date⁽⁸⁾⁽⁹⁾ Friday, 24 February 2023

Assuming the Delisting Resolution is approved, the Delisting Acceptance Condition is not satisfied on the First Closing Date:

Latest time for the Delisting
Acceptance Condition being satisfied⁽¹⁰⁾ 4:00 p.m., Friday, 28 April 2023

Assuming the Delisting Resolution is not approved on the First Closing Date:

Final Closing Date^(4b) Wednesday, 1 February 2023

Latest time for acceptance of the Offers
on the final Closing Date
and closing of the Offers..... 4:00 p.m., Wednesday, 1 February 2023

Announcement of the results of the Offers
on the final Closing Date by 7:00 p.m., Wednesday, 1 February 2023

Latest date for posting of remittances
for the amounts due under the H Share
Offer in respect of valid acceptance
received at or before the latest time
for acceptances of the Offers
on the final Closing Date⁽⁸⁾⁽⁹⁾ Friday, 10 February 2023

Notes:

- (1) Unless otherwise expressly stated, all references to dates and times contained in this joint announcement refer to Hong Kong dates and times.
- (2) Each of the H Share Offer and the Domestic Share Offer is made on Wednesday, 28 December 2022, the date of the posting of the Composite Document, and is capable of being accepted on and from that date.
- (3) The proxy form should be deposited with the H Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event by the time stated above, in order to be valid. Completion and return of a proxy form for the General Meeting and/or the H Share Class Meeting (as the case may be) will not preclude an Independent Shareholder from attending the General Meeting or the H Share Class Meeting (as the case may be) and voting in person if he/she/it so wishes and if such Independent Shareholder has notified Shandong Fengxiang not less than 24 hours in writing before the time appointed for any adjournment of the General Meeting or the H Share Class Meeting (as the case may be). In such event, the returned proxy form will be deemed to have been revoked.
- (4a) It is assumed that the Offeror has received valid acceptances of not less than 90% of the H Shares held by the Independent H Shareholders on the First Closing Date. In compliance with the note to Rule 2.2 and Rule 15.3 of the Takeovers Code, each of the H Share Offer and the Domestic Share Offer will be opened for acceptance for at least 28 days after the Offeror receives valid acceptances of 90% of the H Shares held by the Independent H Shareholders. The Offeror reserves the right to extend the H Share Offer and the Domestic Share Offer beyond this 28-day period. Written notice must be given to the H Shareholders or the Domestic Shareholders (as the case may be) who have not accepted the H Share Offer or the Domestic Share Offer (as the case may be) as of the First Closing Date.
- (4b) 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. In this case, the latest time for acceptance of the H Share Offer and the Domestic Share Offer and closing of the Offers would be on Wednesday, 1 February 2023. On the same day, announcement of the results of the H Share Offer and the Domestic Share Offer will be made.
- (5) Unless the H Share Offer and the Domestic Share Offer have been revised or extended, the latest time and date for acceptance of each of the H Share Offer and the Domestic Share Offer is 4:00 p.m. on the First Closing Date, being Wednesday, 18 January 2023. Please refer to Appendix I to the Composite Document for additional information on how to accept the H Share Offer and the Domestic Share Offer. Assuming the Delisting Resolution is approved at the Shareholders Meetings but the Delisting Acceptance Condition is not satisfied on the First Closing Date, the Offeror has the right to extend the Closing Date of the Offers but in any event, not later than Friday, 28 April 2023, being the date falling 4 months from the posting of the Composite Document.

- (6) Beneficial owners of the H Shares who hold their H Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.
- (7) 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.
- (8) Pursuant to Rule 20.1 of the Takeovers Code, settlement in cash in respect of acceptances of the H Share Offer will be made within 7 business days (as defined under the Takeovers Code) following the date on which the H Shares are validly tendered for acceptance. Duly completed acceptance forms and the relevant documents of title in respect of such acceptance must be received by the H Share Registrar to render such acceptance of the H Share Offer complete and valid. Duly completed acceptance forms and the relevant documents in respect of such acceptance must be received by the Shandong Fengxiang to render such acceptance of the Domestic Share Offer complete and valid. Payment in respect of the H Shares tendered for acceptance and taken up by the Offeror under the H Share Offer (after, if applicable, deducting the seller's ad valorem stamp duty arising therefrom) will be posted by cheque to the H Shareholders, at their own risk. As settlement of consideration under the Domestic Share Offer is subject to certain transfer and foreign exchange registration formalities and procedures imposed by CSDC and the State Administration of Foreign Exchange in the PRC which are not within the control of the Offeror, settlement of the consideration in respect of acceptances received under the Domestic Share Offer will be made via wire transfer by the Offeror as soon as reasonably practicable within 7 business days following completion of such transfer and foreign exchange registration formalities imposed by CSDC and the State Administration of Foreign Exchange and the receipt of notice from the relevant Domestic Shareholder in writing of such holder's bank account details for the purposes of accepting the Domestic Share Offer Price. However, because (i) such transfer and foreign exchange registration formalities may only be initiated upon receipt of the duly completed acceptance with respect to the Domestic Share Offer, and are expected to take more than 7 business days to complete, and (ii) payment of consideration under Domestic Share Offer can only be made to the accepting Domestic Shareholders after completion of (a) the transfer of the Domestic Shares from the accepting Domestic Shareholders to the Offeror through CSDC, (b) the registration of the change of shareholding structure by Shandong Fengxiang with the relevant local branch of the State Administration of Foreign Exchange, and (c) the opening of a particular bank account by the accepting Domestic Shareholders for the purposes of receiving consideration under Domestic Share Offer, the Offeror will not be able to settle the consideration in respect of a duly completed acceptance received under the Domestic Share Offer within 7 business days following the date of receipt of such acceptance as required under Rule 20.1 of the Takeovers Code. As such, the Offeror has applied to the Executive for, and the Executive has indicated that a waiver from strict compliance with Rule 20.1 of the Takeovers Code for the Domestic Share Offer will be granted.
- (9) The latest time and date for acceptance of the H Share Offer, the latest date for posting of remittances for the amounts due under the H Share Offer in respect of valid acceptances, the last day of trading of H Shares and voluntary withdrawal of listing of the H Shares will not take effect if there is a tropical cyclone warning signal number 8 above, or a "black" rainstorm warning, in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the such relevant

date. Instead, such relevant date will be rescheduled to the same time on the following business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

- (10) 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 4 months from the posting of the Composite Document and the latest time for the Delisting Acceptance Condition to be satisfied pursuant to Rule 2.11 and Rule 15.6 of the Takeovers Code.

Shareholders are encouraged to read the Composite Document carefully, including the advice of the independent financial adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Offers and the Delisting Resolution, before deciding whether or not to accept the Offers or how to vote in respect of the Delisting Resolution. The Shareholders and potential investors are advised to exercise caution when dealing in the securities of Shandong Fengxiang, and if they are in any doubt about their position, they should consult their professional advisers.

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, 28 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.