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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

**(1) COMPLETION OF THE ACQUISITION OF APPROXIMATELY
70.92% SHAREHOLDING IN SHANDONG FENGXIANG BY
THE OFFEROR;**

**(2) 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);**

**(3) 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**

**(4) PROPOSED VOLUNTARY WITHDRAWAL OF LISTING OF
THE H SHARES OF SHANDONG FENGXIANG**

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**”); (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**”); and (iii) the joint announcement of the Offeror and Shandong Fengxiang dated 20 December 2022 in relation to the supplemental agreement to the SPA (the “**Supplemental SPA**”). Unless otherwise defined, capitalised terms herein shall have the same meanings as those defined in the Rule 3.5 Announcement.

COMPLETION OF SALE SHARES TRANSFER

On 20 December 2022, all Acquisition Conditions/Transfer Procedures under the SPA and the Supplemental SPA have been fulfilled. On the same date, the Sale Shares Transfer took place and as a result of the Sale Shares Transfer, the Offeror held a total of 992,854,500 Domestic Shares (being the Sale Shares), representing approximately 70.92% of the issued share capital or approximately 95.01% of all the issued Domestic Shares of Shandong Fengxiang as at the date of this joint announcement. As disclosed in the Rule 3.5 Announcement, the Acquisition Consideration is RMB1,372,279,100 (equivalent to HK\$1,502,336,359) which represents a consideration of RMB1.3822 per Sale Share (equivalent to HK\$1.5132 per Sale Share).

UNCONDITIONAL MANDATORY CASH OFFERS

Pursuant to Rule 26.1 of the Takeovers Code, upon completion of the Sale Shares Transfer, the Offeror is required to make mandatory unconditional general offers in cash for all the issued Domestic Shares and H Shares not already owned or agreed to be acquired by the Offeror in accordance with the Takeovers Code. The Offers are unconditional in all respects.

The terms and conditions of the Offers will be set out in the Composite Document to be issued in accordance with the Takeovers Code.

DELISTING RESOLUTION

The Offeror proposes to delist Shandong Fengxiang from the Stock Exchange and accordingly Shandong Fengxiang has agreed to convene the Shareholders Meetings for the purpose of Independent Shareholders to consider and vote on the Delisting Resolution (among other business). If the Delisting Resolution is approved, it will not become effective until the end of the offer period in respect of the Offers.

DESPATCH OF THE COMPOSITE DOCUMENT

As disclosed in the Delay in Despatch Announcement, an application was made by the Offeror and Shandong Fengxiang to the Executive under Rule 8.2 of the Takeovers Code for the Executive's consent to extend the latest date of the despatch of the Composite Document to within 7 days after the Sale Shares Transfer or 23 February 2023, whichever is earlier. As the Sale Shares Transfer took place on 20 December 2022, the Composite Document comprising the offer document from the Offeror and the response document from the Board will be jointly despatched by the Offeror and Shandong Fengxiang to the Shareholders on or before 28 December 2022. Further announcement(s) will be made by the Offeror and Shandong Fengxiang in accordance with the Takeovers Code upon the despatch of the Composite Document.

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, 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, 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.