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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)

**GRANT OF AWARDS
PURSUANT TO 2023 SHARE AWARD SCHEME**

Reference is made to the announcements of the Company dated 10 December 2021 in relation to the adoption of the 2021 SAS and grant of Awards under the 2021 SAS and the announcement of the Company dated 29 August 2023 in relation to the adoption of the 2023 SAS and amendments to the 2021 SAS.

To gradually differentiate the eligible participants of the 2021 SAS and 2023 SAS, so that the employee participants of the 2021 SAS shall only include connected persons of the Company (as defined under the Listing Rules) while the employee participants of the 2023 SAS shall exclude such connected persons, pursuant to Rule 17.06A of the Listing Rules, the Board announces that on 24 July 2024, the Company (i) cancelled the 2,955,968 Awarded Shares granted to, yet unvested in, certain Non-connected Grantees under the 2021 SAS and (ii) substituted such cancelled grants under the 2021 SAS by new grants of 2,955,968 Awarded Shares to such Non-connected Grantees under the 2023 SAS (subject to acceptance by the grantees). The new grants of 2,955,968 Awarded Shares will be satisfied partly by issuance of 730,000 new H Shares within the Scheme Mandate Limit and partly by existing H Shares in issue under the 2023 SAS, representing (i) approximately 0.1868% of the total issued Shares as at the date of this announcement and (ii) approximately 0.1867% of the total issued Shares as enlarged by the allotment and issue of new Shares.

DETAILS OF GRANT OF AWARDS

The details of the Awards granted to the Non-connected Grantees are as follows:

Date of grant: 24 July 2024

Grantees and number of Awards involving 2,955,968 Awarded Shares were granted to the Non-connected Grantees:
Awarded Shares granted:

The above grant would not be subject to approval by the shareholders of the Company in general meeting. To the best knowledge of the Directors, as at the date of this announcement, none of the Non-connected Grantees is (i) a Director, chief executive or substantial shareholder of the Company, or an associate (as defined under the Listing Rules) of any of them; (ii) a participant with options and Awards granted and to be granted exceeding the 1% individual limit; or (iii) a related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the relevant class of shares in issue (excluding treasury shares).

The above grant would not result in the maximum number of H Shares which may be awarded (excluding any Awards lapsed in accordance with the terms of the Share Schemes) to a Selected Participant in any 12-month period up to and including the date of grant, in aggregate exceeding 1% of the total number of issued Shares (15,826,180 Shares) as at 6 June 2024, being the date on which the Company amended the respective 2021 Scheme Rules and/or 2023 Scheme Rules.

Purchase price and arrangement to facilitate the purchase of Awarded Shares: Not applicable

Closing price of the Shares on the date of grant: Not applicable^(Note 1)

Vesting period: The Awarded Shares under the 2023 SAS shall vest on or before 30 June 2025.

The vesting period for the grant of Awards under the 2023 SAS is subject to a vesting period of less than 12 months as such Awards have a total vesting and holding period of more than 12 months under the Relevant Schemes (being the 2021 SAS and the 2023 SAS) and the new grants under the 2023 SAS are in substitution for cancelled grants under the 2021 SAS. The remuneration committee of the Company is of the view that such arrangement with a shorter vesting period is appropriate and aligns with the purpose of the 2023 SAS.

Performance targets: Awards were granted to the Non-connected Grantees under the 2023 SAS without performance targets^(Note 2).

Clawback mechanism: There is no clawback mechanism for the Company to recover or withhold any Awards granted to any Selected Participant^(Note 2).

Notes:

1. The closing price immediately preceding the date of suspension of trading on 1 February 2023 was HK\$1.52.
2. In view that (i) the Non-connected Grantees are employees of the Group who will contribute directly to the overall business performance, sustainable development and/or good corporate governance of the Group; and (ii) the grant is a recognition for the Non-connected Grantees' past contributions to the Group, the remuneration committee of the Company is of the view that, even though there is no performance target nor clawback mechanism, the grant of Awards to the Non-connected Grantees can align the interests and incentives of the Non-connected Grantees in working towards the success of the Group and is market competitive and in line with the purpose of the 2023 SAS.

NUMBER OF SHARES AVAILABLE FOR FUTURE GRANTS

Subsequent to the new grants of 2,955,968 Awarded Shares, the number of Shares available for future grants under the Relevant Schemes is 155,305,832.

DEFINITIONS

“2021 Employee Participant(s)”	in accordance with the 2021 SAS, employees (including fulltime 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 2021 Scheme Rules, and as amended and restated on 29 August 2023 and 6 June 2024
“2021 Scheme Rules”	the rules relating to the 2021 SAS in its present form or as amended from time to time in accordance with the provisions thereof
“2023 Employee Participant(s)”	in accordance with the 2023 SAS, employees (including fulltime employees and part-time employees) of any member of the Group (including persons who are granted Awards 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 2023 Scheme Rules, and as amended and restated on 6 June 2024
“2023 Scheme Rules”	the rules relating to the 2023 SAS in its present form or as amended from time to time in accordance with the provisions thereof
“2023 Trust Deed”	the amended and restated trust deed constituting the 2023 Fengxiang Employee Incentive Trust entered into between the Company as settlor and the trustee of the trust on 29 August 2023, and as amended on 6 June 2024
“Award”	an award of the awarded interests by the Board to a Selected Participant in accordance with the 2021 Scheme Rules and/or 2023 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 2023 SAS 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 PRC 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
“Domestic Share(s)”	ordinary share in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB

“Eligible Participant(s)”	in accordance with the 2021 Scheme Rules and/or 2023 Scheme Rules, any individual being a 2021 Employee Participant and/or 2023 Employee Participant 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 Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Non-connected Grantee(s)”	the Selected Participant(s) who are non-connected person of the Company under the 2021 SAS and/or 2023 SAS
“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) 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 6 June 2024, being the date on which the Company amended the respective 2021 Scheme Rules and/or 2023 Scheme Rules
“Selected Participant(s)”	in accordance with the 2021 Scheme Rules and/or 2023 Scheme Rules, Eligible Participant(s) selected by the Board for participation in the Share Schemes (or his/her legal personal representative or lawful successor as the case may be)
“Share(s)”	Domestic Share(s) and/or H Share(s)
“Share Scheme(s)”	the 2021 SAS and/or 2023 SAS
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Shandong, the PRC, 24 July 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.