

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

PROFIT WARNING

This announcement is made by Shandong Fengxiang Co., Ltd. (the “**Company**” and its subsidiaries, collectively, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company wishes to inform its shareholders (the “**Shareholders**”) and potential investors that, based on the information currently available and the preliminary assessment of the Group’s latest unaudited consolidated management accounts for the year ended 31 December 2020 (the “**FY2020 Results**”), the Group is expected to record a decrease in its profit (before biological assets fair value adjustment) to approximately RMB160 million to approximately RMB200 million as compared to the audited consolidated net profit (before biological assets fair value adjustment) of approximately RMB833.9 million for the year ended 31 December 2019. The board of directors of the Company (the “**Board**”) believes that the main reasons for the profit decline is primarily attributable to (i) the decrease in profit from sale of chicken breeds, which was attributable to the Company’s proactive measures to significantly reduce the production and sales volume of chicken breeds based on the strategic consideration and the drastic fluctuations of the price of chicken breeds as disclosed in the interim report of the Company for the six months ended 30 June 2020; (ii) the decrease in gross profit from the Group’s chicken meat products, which was partially due to the decrease in average selling price of raw chicken meat products; and (iii) an increase in selling, marketing, promotion and research and development expenses as a result of the increase in resources invested by the Group in its new retail business.

As at the date of this announcement, the Group is still in the process of finalising the FY2020 Results. The information contained herein is only based on a preliminary assessment of the information currently available to the Company's management and such information have not been confirmed and reviewed by the Company's audit committee and have not been audited by the Company's auditors.

Shareholders and potential investors are advised to read carefully the annual results announcement for the FY2020 Results, which is expected to be released before the end of March 2021.

Shareholders and potential investors are advised to exercise caution when dealing in securities of the Company.

By order of the Board
Shandong Fengxiang Co., Ltd.
Liu Zhiguang
Chairman

Shandong, the PRC
29 January 2021

As at the date of this announcement, the Board comprises Mr. Liu Zhiguang, Mr. Xiao Dongsheng, Mr. Ow Weng Cheong and Mr. Wang Jinsheng as executive directors, Mr. Liu Xuejing and Mr. Zhang Chuanli as non-executive directors, and Mr. Guo Tianyong, Mr. Zhang Ye and Mr. Chung Wai Man as independent non-executive directors.