
THIS SUPPLEMENTAL CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this supplemental circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Shandong Fengxiang Co., Ltd., you should at once hand this supplemental circular and the enclosed supplemental proxy form(s) to the purchaser(s) or transferee(s) or to the licensed securities dealer or bank or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

**SUPPLEMENTAL CIRCULAR TO THE COMPOSITE DOCUMENT
DATED 28 DECEMBER 2022 IN RELATION TO
(1) ELECTION OF DIRECTORS OF THE FIFTH SESSION OF
THE BOARD OF DIRECTORS;
(2) ELECTION OF SUPERVISORS OF THE FIFTH SESSION OF
THE BOARD OF SUPERVISORS; AND
(3) SUPPLEMENTAL NOTICE OF THE 2023 FIRST EXTRAORDINARY
GENERAL MEETING**

This supplemental circular should be read together with the Composite Document jointly issued by the Company and the Offeror dated 28 December 2022 in relation to, among other things, the Offers and the Delisting Resolution in accordance with the Takeovers Code and the Listing Rules. A supplemental notice dated 3 January 2023 notifying the convention of the General Meeting to be held as originally scheduled at 3rd Floor, GMK Building, Xiangguang ECO-Industrial Park, Yanggu County, Liaocheng City, Shandong Province, the PRC on Wednesday, 18 January 2023 at 9:00 a.m. is set out on pages 18 to 20 of this supplemental circular. A supplemental proxy form for the General Meeting is enclosed herewith and is also available on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.fengxiang.com>). If you intend to appoint a proxy to attend the General Meeting, you are requested to complete, sign and return the enclosed supplemental proxy form in accordance with the instructions printed thereon no less than 24 hours before the time appointed for holding the General Meeting (i.e. not later than 9:00 a.m. on Tuesday, 17 January 2023) or any adjournment thereof. Completion, signing and return of the supplemental proxy form will not preclude you from attending and voting in person at the General Meeting.

3 January 2023

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD OF DIRECTORS	4
APPENDIX I — BIOGRAPHIES OF THE CANDIDATES PROPOSED FOR THE FIFTH SESSION OF THE BOARD OF DIRECTORS	10
APPENDIX II — BIOGRAPHIES OF THE CANDIDATES PROPOSED FOR THE FIFTH SESSION OF THE BOARD OF SUPERVISORS	16
SUPPLEMENTAL NOTICE OF THE 2023 FIRST EXTRAORDINARY GENERAL MEETING	18

DEFINITIONS

In this supplemental circular, the following expressions have the meanings set out below unless the context requires otherwise.

“Articles of Association”	the articles of association of the Company (as amended, modified or otherwise supplemented from time to time)
“Board of Directors”	the board of Directors
“Board of Supervisors”	the board of Supervisors
“Company”	Shandong Fengxiang Co., Ltd. (山東鳳祥股份有限公司) (stock code: 9977), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange
“Composite Document”	the composite offer and response document dated 28 December 2022 combining the offer document issued by the Offeror and the offeree board circular issued by the Company (together with the form(s) of acceptance and the original proxy form(s)) in respect of, among other things, the Offers and the Delisting Resolution in accordance with the Takeovers Code and the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Delisting Resolution”	the resolution to be considered, and if thought fit, for approving the delisting of H Shares of the Company from the Stock Exchange, which will not become effective until the end of the offer period as stated in the Composite Document in respect of the Offers if approved
“Director(s)”	director(s) of the Company
“Domestic Share(s)”	the issued ordinary share(s) in the share capital of Shandong Fengxiang, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB
“General Meeting”	the 2023 first extraordinary general meeting of the Company to be held at 3rd Floor, GMK Building, Xiangguang ECO-Industrial Park, Yanggu County, Liaocheng City, Shandong Province, the PRC on Wednesday, 18 January 2023 at 9:00 a.m., or any adjournment thereof, for the purpose of considering and if thought fit, approving the Delisting Resolution and the appointments of the Proposed Directors and the Proposed Supervisors

DEFINITIONS

“Group”	the Company and its subsidiaries
“H Share(s)”	the issued overseas listed foreign Share(s) in the share capital of Shandong Fengxiang, with a nominal value of RMB1.00 each, which are subscribed for and traded in HKD and listed on the Main Board of the Stock Exchange
“H Share Class Meeting”	the 2023 first class meeting of the holders of H Shares to be held at 3rd Floor, GMK Building, Xiangguang ECO-Industrial Park, Yanggu County, Liaocheng City, Shandong Province, the PRC on Wednesday, 18 January 2023 at 10:00 a.m. or immediately after the conclusion of the General Meeting or any adjournment thereof (whichever is the later), for the purpose of considering and if thought fit, approving the Delisting Resolution
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	30 December 2022, being the latest practicable date prior to the printing of this supplemental circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Nomination Committee”	the nomination committee of the Company
“Offeror”	Falcon Holding LP, a limited partnership formed in the Cayman Islands and having its registered office at PO Box 472, 2nd Floor, Harbour Place, 103 South Church Street, George Town, Grand Cayman, KY1-1106, Cayman Islands, the controlling shareholder of the Company
“Offers”	the unconditional mandatory cash offer made by CMB International Capital Limited, the financial adviser to the Offeror, for and on behalf of the Offeror, for all the H Shares (other than those already owned or agreed to be acquired by the Offeror) and/or the unconditional mandatory cash offer made by the Offeror for all the Domestic Shares (other than those already owned or agreed to be acquired by the Offeror) in accordance with the Takeovers Code

DEFINITIONS

“PRC”	the People’s Republic of China, which for the purpose of this supplemental circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed Directors”	the proposed Directors of the Company to be elected at the General Meeting
“Proposed Supervisors”	the proposed Supervisors of the Company to be elected at the General Meeting
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Supervisor(s)”	supervisor(s) of the Company
“Share(s)”	Domestic Share(s) and/or H Share(s)
“Shareholder(s)”	holder(s) of Share(s)
“Shareholders Meetings”	the General Meeting and the H Share Class Meeting
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers in Hong Kong

LETTER FROM THE BOARD OF DIRECTORS



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)

Executive Directors:

Mr. Liu Zhiguang (*Chairman*)
Mr. Xiao Dongsheng (*General Manager*)
Ms. Zhou Jinying
Mr. Shi Lei

Non-executive Directors:

Mr. Liu Xuejing
Mr. Zhang Chuanli

Independent Non-executive Directors:

Mr. Guo Tianyong
Ms. Zhao Yinglin
Mr. Chung Wai Man

Registered office:

Liumiao Village, Anle Town
Yanggu County Liaocheng City
Shandong Province
PRC

*Principal place of business
in Hong Kong:*

31/F, Tower Two
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

3 January 2023

To the Shareholders

Dear Sir or Madam,

**SUPPLEMENTAL CIRCULAR TO THE COMPOSITE DOCUMENT
DATED 28 DECEMBER 2022 IN RELATION TO
(1) ELECTION OF DIRECTORS OF THE FIFTH SESSION OF
THE BOARD OF DIRECTORS;
(2) ELECTION OF SUPERVISORS OF THE FIFTH SESSION OF
THE BOARD OF SUPERVISORS; AND
(3) SUPPLEMENTAL NOTICE OF THE 2023 FIRST EXTRAORDINARY
GENERAL MEETING**

LETTER FROM THE BOARD OF DIRECTORS

I. INTRODUCTION

This supplemental circular should be read together with the Composite Document and the original notice of General Meeting. Reference is made to the announcement of the Company dated 30 December 2022. In view of the recent change in the ownership structure of the Company, in order to improve the corporate governance structure and ensure the Company's effective decision-making and stable development, the Company has resolved on the early expiration of the term of the fourth session of the Board of Directors and the fourth session of the Board of Supervisors, and proposed the election of the fifth session of the Board of Directors and the fifth session of the Board of Supervisors by way of shareholders' approval.

The purpose of this supplemental circular is to provide you with the supplemental notice of the General Meeting and the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the additional resolutions proposed at the General Meeting. Ordinary resolutions for approving the election of the Proposed Directors and the Proposed Supervisors will be proposed at the General Meeting.

II. PROPOSED ELECTION OF DIRECTORS OF THE FIFTH SESSION OF THE BOARD OF DIRECTORS

The fourth session of the Board of Directors will expire upon the conclusion of the Shareholders Meetings, and all incumbent Directors will retire from their positions as directors of the Company at that time. In accordance with Article 98 of the Articles of Association, Directors shall be elected by the general meeting and serve a term of office of three years. A Director may serve consecutive terms if re-elected upon the expiration of his/her term. As such, the Board of Directors has resolved to elect the Proposed Directors for the fifth session of the Board of Directors at the General Meeting.

Re-election of Retiring Directors

The Board of Directors has resolved to re-elect the following Directors who are eligible for re-election as Directors for the fifth session of the Board of Directors and have confirmed to offer themselves for re-election at the General Meeting:

Candidates for executive Directors: Mr. Xiao Dongsheng (肖東生) and Mr. Shi Lei (石磊)

Candidates for independent non-executive Directors: Ms. Zhao Yinglin (趙迎琳) and Mr. Chung Wai Man (鍾偉文)

LETTER FROM THE BOARD OF DIRECTORS

Election of New Directors

The Board of Directors has also resolved to propose the following candidates as Directors for election at the General Meeting:

Candidates for non-executive Directors: Mr. Qiu Zhongwei (邱中偉), Mr. Lu Wei (呂歲), Mr. Zhu Lingjie (朱凌潔) and Ms. Zhou Ruijia (周瑞佳)

Candidate for independent non-executive Director: Ms. Wang Anyi (王安易)

For biographies of the Proposed Directors of the fifth session of the Board of Directors, please refer to Appendix I to this supplemental circular. The Directors of the fifth session of the Board of Directors shall have a term of three years upon their appointments becoming effective until the expiration of the term of the fifth session of the Board of Directors.

The ordinary resolutions for the elections of each of the Proposed Directors for the fifth session of the Board of Directors will be proposed at the General Meeting for consideration and approval by the Shareholders according to the Articles of Association. In the event that the appointments of the Proposed Directors are approved at the General Meeting, such appointments will not take effect until (i) the earliest date as permitted under the Takeovers Code, or (ii) such other date as agreed upon by the Offeror and the Company in compliance with the Takeovers Code, whichever is later.

Proposal on Remuneration Package for Directors of the Fifth Session of the Board of Directors

Independent non-executive Directors will receive remuneration from the Company. The Company will pay HKD300,000 per annum to each independent non-executive Director.

The executive Directors with other employment positions at the Company, namely Mr. Xiao Dongsheng and Mr. Shi Lei, based on their positions and in accordance with the Company's remuneration policy, receive remuneration from the Company.

The non-executive Directors will not receive any remuneration from the Company.

LETTER FROM THE BOARD OF DIRECTORS

III. PROPOSED ELECTION OF SUPERVISORS OF THE FIFTH SESSION OF THE BOARD OF SUPERVISORS

The fourth session of the Board of Supervisors will expire upon the conclusion of the Shareholders Meetings, and all incumbent Supervisors will retire from their positions as supervisors of the Company at that time. In accordance with Articles 126 and 127 of the Articles of Association, the Board of Supervisors shall comprise two shareholders representative Supervisors and one employees representative Supervisor. In particular, shareholders representative Supervisors shall be elected at general meetings, and the employees representative Supervisor shall be elected democratically at the employee representatives' meetings. Each Supervisor shall serve a term of three years and may serve consecutive terms upon re-election upon the expiration of his/her term. As such, the Board of Supervisors has resolved to elect the Proposed Supervisors for the fifth session of the Board of Supervisors at the General Meeting.

Election of New Supervisors

The Board of Supervisors has resolved to propose the following candidates as Supervisors for election at the General Meeting:

Candidates for shareholders representative Supervisors: Ms. Gao Jin (高瑾) and Mr. Zhu Kaijie (朱愷傑)

The candidate for employees representative Supervisor will be elected at the employees representatives' meeting to be held on 18 January 2023.

For biographies of the Proposed Supervisors of the fifth session of the Board of Supervisors, please refer to Appendix II to this supplemental circular. The Supervisors of the fifth session of the Board of Supervisors shall have a term of three years upon their appointments become effective until the expiration of the term of the fifth session of the Board of Supervisors.

The ordinary resolutions for the elections of each of the Proposed Supervisors for the fifth session of the Board of Supervisors will be proposed at the General Meeting for consideration and approval by the Shareholders according to the Articles of Association.

Proposal on Remuneration Package for Supervisors of the Fifth Session of the Board of Supervisors

The employees representative Supervisor with other employment positions at the Company, based on his/her position and in accordance with the Company's remuneration policy, receive remuneration from the Company. The shareholder representative Supervisors will not receive any remuneration from the Company.

LETTER FROM THE BOARD OF DIRECTORS

IV. GENERAL MEETING AND PROXY ARRANGEMENT

The General Meeting will be held as originally scheduled at 9:00 a.m. on Wednesday, 18 January 2023, at 3rd Floor, GMK Building, Xiangguang ECO-Industrial Park, Yanggu County, Liaocheng City, Shandong Province, the PRC. The supplemental notice of the General Meeting is set out on pages 18 to 20 of this supplemental circular.

A supplemental proxy form for use at the General Meeting is enclosed with this supplemental circular. The original proxy form issued by the Company along with the Composite Document will remain valid and effective to the fullest extent applicable if correctly completed and lodged with the H share registrar of the Company. Whether or not you intend to attend the General Meeting, you are requested to complete and return the supplemental proxy form in accordance with the instructions printed thereon to the Company's 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 (for holders of H Shares) or the Company's registered office at Liumiao Village, Anle Town, Yanggu County, Liaocheng City, Shandong Province, the PRC (for holders of Domestic Shares) as soon as possible and in any event not less than 24 hours before the time appointed for holding the General Meeting (i.e. not later than 9:00 a.m. on Tuesday, 17 January 2023) or the adjourned meeting (as the case may be). Completion and delivery of the supplemental proxy form will not preclude you from attending and voting at the General Meeting or any adjournment thereof should you so wish.

Shareholders of H Shares who are entitled to attend and vote at the General Meeting may designate one or more proxies to attend at the General Meeting, but only one of the proxies can be designated to vote at the General Meeting on his/her behalf. For the avoidance of doubt, should the proxies being appointed to attend the General Meeting under each of the original proxy form and/or the supplemental proxy form are different and more than one of the proxies attend the General Meeting, only the proxy validly appointed under the original proxy form shall be designated to vote at the General Meeting.

Please refer to the original notice of the General Meeting for details in respect of the Delisting Resolution to be considered and approved at the General Meeting, eligibility for attending the General Meeting, proxy, registration procedures, closure of registers of members and other relevant matters.

V. VOTING BY POLL

According to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Accordingly, the chairman of the General Meeting will exercise his power under the Articles of Association to demand a poll in relation to all the proposed resolutions at the General Meeting.

LETTER FROM THE BOARD OF DIRECTORS

VI. RESPONSIBILITY STATEMENT

This supplemental circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this supplemental circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this supplemental circular misleading.

VII. RECOMMENDATION

The Board of Directors believes that the proposals mentioned above are in the interests of the Company and its Shareholders as a whole. Accordingly, the Board of Directors recommends that all Shareholders vote in favour of the relevant resolutions to be proposed at the General Meeting as set out in the supplemental notice of the General Meeting.

Yours faithfully

By order of the Board of Directors

Shandong Fengxiang Co., Ltd.

Shi Lei

Executive director and company secretary

Biographical details of the candidates proposed for re-election and appointment as executive Directors, non-executive Directors and independent non-executive Directors for the fifth session of the Board of Directors, are set out as follows:

EXECUTIVE DIRECTORS**Mr. Xiao Dongsheng (肖東生先生)**

Mr. Xiao Dongsheng, aged 50, an executive Director and the general manager of the Company. He was appointed as a Director on 1 November 2018. He is primarily responsible for the sales and marketing functions of the Group. He is also a director of iShape Food Technology Co., Ltd. (“**iShape Food Technology**”) (formerly known as Fengxiang Food Co., Ltd.) and Fengxiang Foods (Japan) Co., Ltd.. Mr. Xiao has over 24 years of experience in corporate and business management. He joined the Group in December 2010. He has been a general manager and the general manager of international marketing centre of Shandong Fengxiang Food Development Co., Ltd. since December 2011. He has also been a general manager of iShape Food Technology since June 2019. Mr. Xiao obtained a bachelor’s degree in engineering from Nanjing University of Chemical Technology (currently known as Nanjing Tech University) in the PRC in July 1994.

As at the Latest Practicable Date, Mr. Xiao is interested in an aggregate of 3,216,000 H Shares granted under the share award schemes adopted by the Company on 4 June 2020 and 10 December 2021, respectively.

Mr. Shi Lei (石磊先生)

Mr. Shi Lei, aged 36, an executive Director, the vice general manager, chief financial officer, the secretary to the Board of Directors and a joint company secretary of the Company. He was appointed as a Director on 31 May 2022. He is primarily responsible for the financial aspects of the Group. Mr. Shi has over 14 years of experience in finance, accounting and management, and joined the Group in June 2013. Mr. Shi served as a vice general manager of financial budget and analysis department, a financial manager and an assistant director of financial centre of the Company from June 2013 to February 2018. Mr. Shi was a supervisor of Xingwen Tianyang Jishi Food Development Co., Ltd. (興文天養極食食品發展有限公司) from May 2016 to June 2021, and has been a supervisor of Yucheng Fengming Food Co., Ltd. (禹城鳳鳴食品有限公司) since August 2017. Prior to joining the Group, Mr. Shi worked for the finance department of Qingdao Zhengda Co., Ltd. (青島正大有限公司) from January 2008 to June 2010, and worked as a supervisor of the finance department of OSI Group (Weihai) Poultry Development Co., Ltd (福喜(威海)農牧發展有限公司) from June 2010 to June 2013. Mr. Shi obtained a bachelor’s degree in financial management from Qingdao Agricultural University (青島農業大學) in the PRC in July 2007.

As at the Latest Practicable Date, Mr. Shi is interested in an aggregate of 586,000 H Shares granted under the share award schemes adopted by the Company on 4 June 2020 and 10 December 2021, respectively.

NON-EXECUTIVE DIRECTORS**Mr. Qiu Zhongwei (邱中偉先生)**

Mr. Qiu Zhongwei, aged 54, has over 30 years of experience in corporate finance and private equity investment. He has been a partner and managing director of PAG Asia Capital since April 2015. From 1990 to 2000, Mr. Qiu served as a vice president at Goldpark China Limited, a subsidiary of China Huaneng Group. Mr. Qiu has served as the managing director and managing partner at Hony Capital (弘毅投資) for 10 years from January 2005. Before that, he was the chairman of Yintai Holdings Limited (銀泰控股公司). From July 2006 to June 2015, he served as a non-executive director of Changsha Zoomlion Heavy Industry Science and Technology Development Co., Ltd. (currently known as Zoomlion Heavy Industry Science and Technology Co., Ltd.), a company listed on the main board of the Stock Exchange (stock code: 1157) and the Shenzhen Stock Exchange (stock code: 000157). He has been a director of Metro Land Corporation Ltd. (京投發展股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600683), since December 2017; and a non-executive director of China Youran Dairy Group Limited, a company listed on the main board of the Stock Exchange (stock code: 9858), since August 2020. He is currently the chairman and the chief executive officer of Shanghai Baosteel Gases Co., Ltd. (上海寶鋼氣體有限公司). Mr. Qiu obtained a bachelor's degree in engineering from Xi'an Jiaotong University in the PRC in 1990. He then obtained a master's degree in business administration jointly awarded by Kellogg School of Management of Northwestern University in the United States and the Hong Kong University of Science and Technology in Hong Kong in 2003.

Mr. Lu Wei (呂巖先生)

Mr. Lu Wei, aged 44, has over 20 years of experience in banking, investment and business consultation. He joined PAG Asia Capital as a senior associate in August 2011 and was subsequently promoted to vice president and executive director. He is currently a managing director of PAG Asia Capital. From September 2001 to June 2004, Mr. Lu served at the Shanghai office of Standard Chartered Bank (China) Limited. From August 2004 to April 2010, he served as a business analyst and an associate at McKinsey & Company. He served as a senior associate at the Shanghai office of CITIC Capital from May 2010 to August 2011. Mr. Lu obtained a bachelor's degree in economics with a major in international finance from Renmin University of China in the PRC in July 2001. He then obtained a master's degree in business administration from Harvard University in the United States in June 2009.

Mr. Zhu Lingjie (朱凌潔先生)

Mr. Zhu Lingjie, aged 43, has over 18 years of experience in business and marketing strategy formation and investment. Mr. Zhu joined PAG Asia Capital in October 2013 and his current position is managing director. He has extensive experience in consumer goods sector and retail industry as a consultant and professional manager. From July 2005 to March 2008, he worked as a senior manager at Opera Solutions, LLC., a company providing analytics consulting service. From March 2008 to March 2012, he served as a senior project manager at Roland Berger, a worldwide management consulting company. Mr. Zhu joined Beiersdorf AG, a German multinational company that manufactures and retails personal care products in April 2012, and he served as the trade marketing director and the head of e-commerce of the “NIVEA” brand and the business unit head of the “Eucerin” brand. Mr. Zhu obtained a bachelor’s degree in finance from Nanjing University in the PRC in July 2002. He then obtained a certificate of graduate studies from Johns Hopkins University Nanjing University Center for Chinese and American Studies in July 2004. He further obtained a master’s degree in finance from Nanjing University in the PRC in July 2005.

Ms. Zhou Ruijia (周瑞佳女士)

Ms. Zhou Ruijia, aged 33, has over 11 years of experience in investment, financial and operational management. Ms. Zhou currently serves as an executive director of PAG Asia Capital, focusing on buyouts, privatisations, and structured minority investments. Since joining PAG Asia Capital in 2013, Ms. Zhou has been actively involved in a number of investments in the business services and technology sectors, including several leading public companies on the New York Stock Exchange and the Stock Exchange. She is primarily responsible for conducting investments and advising invested portfolio companies on strategic, financial and operational initiatives. Prior to joining PAG Asia Capital, Ms. Zhou worked as an analyst in the investment banking division of Goldman Sachs in New York from July 2011 to July 2013, primarily responsible for conducting financial analysis and advising corporate clients and financial institutions on mergers and acquisitions, as well as equity and debt issuances. Ms. Zhou obtained a bachelor of science degree from Duke University in the United States in 2011.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Wang Anyi (王安易女士)

Ms. Wang Anyi, aged 45, has over 20 years of experience in business consultancy, corporate management and finance. Ms. Wang has been a partner and the chief financial officer of BosWinner, a company providing building and facility construction and management software, since June 2007. Prior to that, she served as the chief financial officer of e-Shang, an integrated development and investment management business that subsequently merged into the ESR Group from 2014 to 2017. Ms. Wang started her career as an analyst at McKinsey & Company in 1999. She joined Morgan Stanley as an associate in its Chicago office's mergers and acquisition team in 2004 and then served in the global capital markets team in the Hong Kong office in 2006. She was promoted to vice president of the China investment banking and real estate team in the Hong Kong office in 2007. From 2009 to 2013, she served as the head of corporate finance and investor relations at Yanlord Land Group Limited. Ms. Wang obtained a bachelor's degree in international finance and real estate from Shanghai Jiaotong University in the PRC in 1999. She then obtained a master's degree in business administration from Kellogg School of Management of Northwestern University in the United States in 2004.

Ms. Zhao Yinglin (趙迎琳女士)

Ms. Zhao Yinglin, aged 56, an independent non-executive Director. She was appointed as a Director on 28 May 2021. She is a member of the audit committee and the nomination committee of the Company. Ms. Zhao has 23 years of experience in corporate and business management. She was the general manager of the investment management department of China Life Property & Casualty Insurance Company Limited between October 2007 and March 2020 and the chief investment officer of PICC Health Insurance Company Limited from March 2020 to February 2021. Ms. Zhao completed her postgraduate studies in finance and investment and received her doctorate degree in economics from the Northwest University in the PRC in July 2000. She obtained the Securities Practitioners Qualifications Certificate from the Securities Association of China in February 2004 and obtained the Independent Director Qualification Certificate from the Shanghai Stock Exchange in March 2014.

Mr. Chung Wai Man (鍾偉文先生)

Mr. Chung Wai Man, aged 59, an independent non-executive Director. He was appointed as a Director on 8 August 2019. He is the chairman of the audit committee and a member of the remuneration committee of the Company. Mr. Chung has over 32 years of experience in accounting, taxation and finance. Mr. Chung has served as an independent non-executive director of Net Pacific Financial Holdings Limited (stock code: 5QY) since June 2018, the shares of which are listed on the Singapore Exchange Limited and E Lighting Group Holdings Limited (stock code: 8222) since September 2014, the shares of which are listed on GEM of the Stock Exchange. Mr. Chung has been the general manager of Yipei Global Capital Limited since May 2021. Mr. Chung obtained a bachelor's degree in social sciences from The University of Hong Kong in December 1989 and a master's degree in international business management from City University of Hong Kong in

November 1998. Mr. Chung has been an associate member of the Hong Kong Institute of Certified Public Accountants since April 1995 and a fellow of The Association of Chartered Certified Accountants in the United Kingdom since November 1999.

VIEW OF THE BOARD OF DIRECTORS AND THE NOMINATION COMMITTEE

To ensure that the Board of Directors has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business, the Board of Directors has adopted the nomination policy of the Company, setting out the process and criteria of identifying potential candidates of the Company and proposing re-election of Directors. The Nomination Committee, when forming their recommendation on the proposal of the re-election and/or appointment of the Proposed Directors, has been following the Company's nomination policy, which has been disclosed on the website of the Company. It has taken into account a wide range of diversity perspectives including, but not limited to, gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience, as set out in the board diversity policy of the Company.

The Nomination Committee had assessed and reviewed Ms. Wang Anyi, Ms. Zhao Yinglin and Mr. Chung Wai Man's written confirmation of independence based on the independence criteria as set out in Rule 3.13 of the Listing Rules and confirmed that as at the date of this supplemental circular, each of Ms. Wang Anyi, Ms. Zhao Yinglin and Mr. Chung Wai Man, remains independent.

The Nomination Committee also reviewed and considered Ms. Wang Anyi, Ms. Zhao Yinglin and Mr. Chung Wai Man's experience, skills and other perspectives as set out above having regard to the nomination policy and board diversity policy of the Company. The Company will be benefited greatly from each of Ms. Wang Anyi and Ms. Zhao Yinglin, whom is beneficial to the Board of Directors with diversity of comprehensive experience in investment banking and finance, and corporate and business management. The Company has also benefited greatly from Mr. Chung Wai Man's contribution and valuable insights derived from his professional knowledge as an accountant.

The Board of Directors is of the view that each of Ms. Wang Anyi, Ms. Zhao Yinglin and Mr. Chung Wai Man is able to fulfil her/his role as required of an independent non-executive Director and contribute to maintain the diversity in the Board of Directors' composition. Therefore, with the recommendation of the Nomination Committee, the Board of Directors has proposed that each of Ms. Wang Anyi, Ms. Zhao Yinglin and Mr. Chung Wai Man stands for election as an independent non-executive Director at the General Meeting.

The above candidates for re-election or appointment of executive Directors, non-executive Directors and independent non-executive Directors will enter into service contracts or letters of appointments (as the case may be) with the Company upon the approval of their re-elections or appointments at the General Meeting and their appointments become effective. Pursuant to the terms of the service contracts or letters of appointments, the term of their appointments will be three years from the date of their re-elections or appointments become effective until the expiration of the fifth session of the Board of Directors.

Save as disclosed in this supplemental circular, as at the Latest Practicable Date, none of the Proposed Directors has any interest in the Shares of the Company within the meaning of Part XV of the SFO. Save as disclosed above, each of the Proposed Directors (1) has not held any directorships in any public listed companies in the past three years, and does not have any other major appointment and professional qualifications; (2) does not have any positions with the Company; and (3) is not connected with any Directors, Supervisors, senior management or controlling shareholders of the Company. Save as disclosed above, there are no other matters concerning the proposed re-election or appointment of the above candidates as the Directors of the fifth session of the Board of Directors that need to be brought to the attention of the Shareholders and the Stock Exchange and there are no other matters which shall be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

APPENDIX II BIOGRAPHIES OF THE CANDIDATES PROPOSED FOR THE FIFTH SESSION OF THE BOARD OF SUPERVISORS

Biographical details of the candidates for appointment as shareholders representative Supervisors of the fifth session of the Board of Supervisors are set out as follows:

SHAREHOLDERS REPRESENTATIVE SUPERVISORS

Ms. Gao Jin (高瑾女士)

Ms. Gao Jin, aged 40, has over 10 years of experience in professional accounting and tax advisory services. Ms. Gao joined PAG Asia Capital in April 2019 and her current position is vice president. From August 2005 to October 2014, she served as a manager at KPMG Advisory (China) Ltd.. From November 2014 to June 2015, she worked as a senior manager at WTS Consulting (Shanghai) Ltd. (偉拓商務諮詢(上海)有限公司). From July 2015 to February 2019, she served as a director at Sinopharm Capital Management Co., Ltd. (國藥資本管理有限公司) (currently known as Sinopharm Capital Management Limited Company (上海健壹私募基金管理有限公司)). Since June 2020, she has been a supervisor at Shenzhen Xin Jiao Cultural Information Consulting Co., Ltd. (深圳鑫教文化信息諮詢有限公司). Since June 2021, she has been a director at Mingya Insurance Brokers Co., Ltd. (明亞保險經紀股份有限公司). Since April 2022, she concurrently serves as a manager at Chengdu Xuyu Education Consulting Co., Ltd. (成都煦予教育諮詢有限公司) and Chengdu Fanshun Education Consulting Co., Ltd. (成都梵順教育諮詢有限公司). Ms. Gao obtained a bachelor's degree in accounting from Fudan University in the PRC in July 2005. Ms. Gao has been a certified public accountant in the PRC since December 2006 and a certified tax advisor in the PRC since August 2009.

Mr. Zhu Kaijie (朱愷傑先生)

Mr. Zhu Kaijie, aged 27. Mr. Zhu has over five years of experience in finance and investment banking. Mr. Zhu joined PAG Asia Capital in February 2021 and his current position is senior associate of private equity strategy. From July 2017 to August 2019, he worked at Morgan Stanley Asia Limited with his last position as an associate of the investment banking division. From September 2019 to January 2021, he worked as an analyst at DCP Capital. Mr. Zhu obtained a bachelor's degree in arts with a double major in economics and mathematics-statistics from Columbia University in the City of New York in the United States in May 2017 with magna cum laude honour.

The above candidates for appointment as shareholder representative Supervisors will enter into service contracts with the Company upon the approval of their appointments at the General Meeting and their appointments become effective. Pursuant to the terms of the service contracts, the term of their appointments will be three years from the date of their appointments become effective until the expiration of the fifth session of the Board of Supervisors.

Save as disclosed in this supplemental circular, as at the Latest Practicable Date, none of the Proposed Supervisors has any interest in the Shares of the Company within the meaning of Part XV of the SFO. Save as disclosed above, each of the Proposed Supervisors (1) has not held any directorships in any public listed companies in the past three years, and does not have any other major appointment and professional qualifications; (2) does not have any positions with the Company; and (3) is not connected with any Directors, Supervisors, senior management or controlling shareholders of the Company. Save as disclosed above, there are no other matters concerning the proposed appointment of the above candidates as the Supervisors of the fifth session of the Board of Supervisors that need to be brought to the attention of the Shareholders and the Stock Exchange and there are no other matters which shall be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.



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)

**SUPPLEMENTAL NOTICE OF
THE 2023 FIRST EXTRAORDINARY GENERAL MEETING**

Reference is made to the composite document issued by Falcon Holding LP as the offeror and Shandong Fengxiang Co., Ltd. (the “**Company**”) and the notice of the 2023 first extraordinary general meeting (the “**General Meeting**”) of the Company dated 28 December 2022, which set out the details of the resolution to be proposed at the General Meeting for shareholders’ approval. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the supplemental circular of the Company dated 3 January 2023.

SUPPLEMENTAL NOTICE IS HEREBY GIVEN THAT the General Meeting will be held as originally scheduled at 9:00 a.m. on Wednesday, 18 January 2023, at 3rd Floor, GMK Building, Xiangguang ECO-Industrial Park, Yanggu County, Liaocheng City, Shandong Province, the PRC to consider and, if thought fit, pass the following resolutions as ordinary resolutions in addition to the resolution set out in the original notice of the General Meeting:

ORDINARY RESOLUTIONS

2. To consider and approve, each as a separate resolution, the following candidates as Directors of the fifth session of the Board of Directors and the Board of Directors be authorised to fix their remuneration:
 - (a) to consider and approve the election of Mr. Xiao Dongsheng as an executive Director of the fifth session of the Board of Directors;
 - (b) to consider and approve the election of Mr. Shi Lei as an executive Director of the fifth session of the Board of Directors;
 - (c) to consider and approve the election of Mr. Qiu Zhongwei as a non-executive Director of the fifth session of the Board of Directors;
 - (d) to consider and approve the election of Mr. Lu Wei as a non-executive Director of the fifth session of the Board of Directors;

SUPPLEMENTAL NOTICE OF THE 2023 FIRST EXTRAORDINARY GENERAL MEETING

- (e) to consider and approve the election of Mr. Zhu Lingjie as a non-executive Director of the fifth session of the Board of Directors;
 - (f) to consider and approve the election of Ms. Zhou Ruijia as a non-executive Director of the fifth session of the Board of Directors;
 - (g) to consider and approve the election of Ms. Wang Anyi as an independent non-executive Director of the fifth session of the Board of Directors;
 - (h) to consider and approve the election of Ms. Zhao Yinglin as an independent non-executive Director of the fifth session of the Board of Directors; and
 - (i) to consider and approve the election of Mr. Chung Wai Man as an independent non-executive Director of the fifth session of the Board of Directors.
3. To consider and approve, each as a separate resolution, the following candidates as Supervisors of the fifth session of the Board of Supervisors:
- (a) to consider and approve the election of Ms. Gao Jin as a shareholders representative Supervisor of the fifth session of the Board of Supervisors; and
 - (b) to consider and approve the election of Mr. Zhu Kaijie as a shareholders representative Supervisor of the fifth session of the Board of Supervisors.

By order of the Board of Directors
Shandong Fengxiang Co., Ltd.
Shi Lei
Executive Director and company secretary

Shandong, the PRC, 3 January 2023

Notes:

1. Details of the above resolutions are set out in the supplemental circular of the Company dated 3 January 2023.
2. A supplemental proxy form in respect of the above resolutions is enclosed with the supplemental circular.
3. The supplemental proxy form will not affect the validity of any proxy form duly completed and delivered by you in respect of the resolutions set out in the original notice of the General Meeting dated 28 December 2022. If you have validly appointed a proxy to attend and act for you at the General Meeting but do not duly complete and deliver the supplemental proxy form, your proxy will be entitled to vote at the discretion on the resolution set out in this supplemental notice. If you do not duly complete and deliver the original proxy form for the General Meeting but have duly completed and delivered the supplemental proxy form and validly appointed a proxy to attend and act for you at the General Meeting, your proxy will be entitled to vote at the discretion on the resolutions set out in the original notice. If the proxy being appointed to attend the General Meeting under the supplemental proxy form is different from the proxy appointed under the original proxy form and both proxies attended the General Meeting, the proxy validly appointed under the supplemental proxy form shall be designated to vote at the General Meeting. If a

SUPPLEMENTAL NOTICE OF THE 2023 FIRST EXTRAORDINARY GENERAL MEETING

shareholder of the Company wishes to provide specific instruction to his proxy(ies) regarding the voting of all resolutions set out in the proxy form and the supplemental proxy form, he should duly complete and submit both proxy forms in accordance with the instructions set out therein.

4. The supplemental proxy form together with the power of attorney or other authority (if any) shall be deposited at the Company's H share registrar in Hong Kong (for holders of H Shares) or at the address of the Company's registered office in the PRC (for holders of Domestic Shares) not less than 24 hours before the time appointed for holding the General Meeting (i.e. not later than 9:00 a.m. on Tuesday, 17 January 2023) or any adjourned meeting (as the case may be). If the instrument appointing the proxy is signed by a person authorised by the appointor, the power of attorney or other document of authority under which the instrument is signed shall be notarised. The notarised power of attorney or other document of authority shall be deposited together and at the same time with the instrument appointing the proxy at the Company's H share registrar in Hong Kong or the address of the Company's registered office in the PRC (as may be applicable).
5. Please refer to the composite document and the original notice of the General Meeting for details in respect of the Delisting Resolution to be proposed and tabled before the General Meeting, eligibility for attending the General Meeting, registration procedures for attending the General Meeting, appointment by proxy, voting by way of poll and other relevant matters.

As at the date of this supplemental notice, 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.