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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)

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

This announcement is made by Shandong Fengxiang Co., Ltd. (the "Company") pursuant to Rule 2.1 of the Code on Takeovers and Mergers and Share Buy-backs (the "Takeovers Code") issued by the Securities and Futures Commission of Hong Kong.

Reference is made to the announcements of the Company dated 20 September 2022 and 26 September 2022 in relation to the judicial auction of shares held by the Controlling Shareholders, and the joint announcement dated 28 October 2022 published by the Company and Falcon Holding LP in relation to, among other things, the Offers (the "Announcements"). Unless the context otherwise requires, the terms used in this announcement shall have the same meanings as those defined in the Announcements.

The Board is pleased to announce that, with the approval of the Independent Board Committee, Gram Capital Limited ("Gram Capital"), a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity as defined under the SFO, has been appointed as the independent financial adviser to advise the Independent Board Committee in respect of the Offers and the Delisting Resolution. The letter of advice from Gram Capital in respect of the Offers and the Delisting Resolution will be included in the Composite Document to be despatched to the Shareholders in due course and in accordance with the Takeovers Code.

The Offers may or may not be made as they are subject to the completion of the Acquisition which in turn is subject to the satisfaction of the Acquisition Conditions/ Transfer Procedures. Shareholders and potential investors are advised to exercise extreme caution when dealing in securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

By order of the board of directors
Shandong Fengxiang Co., Ltd.
Shi Lei
Executive director and company secretary

Shandong, the PRC, 15 November 2022

As at the date of this 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 of the Company jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.