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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)**

## **INSIDE INFORMATION**

This announcement is made by Shandong Fengxiang Co., Ltd. (the “**Company**”, together with its subsidiaries, 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) of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

### **Overdue Debts of the Controlling Shareholder**

The Company was notified by GMK Holdings Group Co., Ltd. (新鳳祥控股集團有限公司) (“**GMK Holdings**”), the controlling shareholder of our Company, that its subsidiaries had overdue debts recently. Among such subsidiaries, GMK Finance Co., Ltd. (新鳳祥財務有限公司) (“**GMK Finance**”) was involved in overdue repayment disputes, pursuant to which, the creditor filed a civil complaint (民事起訴狀) against GMK Finance, and the guarantors for such loans, including Mr. Liu Xuejing (controlling shareholder and non-executive director of the Company), GMK Holdings and certain of its subsidiaries are named as defendants.

## **Impact on the Group**

GMK Holdings, by itself and through its subsidiaries, currently provides guarantees for some of the loans obtained by the Group from banks, and provides deposits, loan facilities (including term loans and entrusted loans) and bill financing services to the Group. As at the date of this announcement, the Group has a deposit (including related accrued interests) amounting to approximately RMB885 million in GMK Finance and the Group's withdrawal and utilisation of deposits for daily operations and its collection of deposit interests are still normal.

The Board considers that the above matters will not affect the normal operation of the Group at present. The Board is actively negotiating with GMK Holdings, and is being informed that it is conducting debt arrangements with its subsidiaries. The Board is also currently assessing the future impact of the above matters, especially the financial impact on the consolidated financial statements of the Group, as well as carefully following up the situation and considering deposit protection measures to safeguard the interests of the Group and the shareholders of the Company as a whole. The Company will make further announcement(s) in due course to keep its shareholders and investors informed of the financial position of the Group and other matters as and when appropriate.

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

By order of the board of directors  
**Shandong Fengxiang Co., Ltd.**  
**Liu Zhiguang**  
*Chairman*

Shandong, the PRC, 28 March 2022

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