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DEKON FOOD AND AGRICULTURE GROUP

四川德康農牧食品集團股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2419)

INSIDE INFORMATION ANNOUNCEMENT

GRANT OF LISTING APPROVAL BY THE STOCK EXCHANGE FOR THE IMPLEMENTATION OF THE H SHARE FULL CIRCULATION BY THE COMPANY

This announcement is made by Dekon Food and Agriculture Group (the “**Company**”) pursuant to Rule 13.09(2)(a) 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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 26 December 2023 and 19 January 2024 (the “**Announcements**”) in relation to the Company’s proposed implementation of the H share full circulation. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

LISTING APPROVAL GRANTED BY THE STOCK EXCHANGE

The Company has applied to the Listing Committee of the Stock Exchange for the approval (the “**Listing Approval**”) of the listing of and permission to deal in 61,944,501 H Shares (the “**Converted H Shares**”), being the maximum number of Domestic Shares to be converted under the Conversion and Listing. The Board is pleased to announce that the Listing Approval was granted by the Stock Exchange on 22 January 2024.

SHAREHOLDING STRUCTURE

The Conversion and Listing will involve a total of four participating holders (the “**Participating Shareholders**”) of 61,944,501 Domestic Shares, which represent approximately 15.93% of the total issued shares of the Company.

Set out below is the percentage holding in the Company in relation to the Participating Shareholders upon completion of the Conversion and Listing:

Name of the Participating Shareholders	Number of Converted H Shares	Approximate percentage of total issued shares of the Company upon completion of the Conversion and Listing
Mr. Chen Yuxin (陳育新)	44,681,989	11.49%
Sichuan Desheng Ronghe Group Co. Ltd. (四川德盛榮和實業集團有限公司)	11,666,269	3.00%
Chengdu Zhongcheng Jinyi Enterprise Management Centre (Limited Partnership) (成都眾誠金宜企業管理中心(有限合夥))	4,734,536	1.22%
Chengdu Tongchuang Deheng Enterprise Management Centre (Limited Partnership) (成都同創德恒企業管理中心(有限合夥))	<u>861,707</u>	<u>0.22%</u>
Total	<u><u>61,944,501</u></u>	<u><u>15.93%</u></u>

Note: The percentages have been rounded up to two decimal places.

The share capital structure of the Company as at the date of this announcement and upon completion of the Conversion and Listing is set out below:

Class of shares	As at the date of this announcement		Upon completion of the Conversion and Listing	
	<i>Number of Shares (approximately)</i>	<i>Percentage</i>	<i>Number of Shares (approximately)</i>	<i>Percentage</i>
Domestic Shares	322,755,952	83.00%	260,811,451	67.07%
H Shares	<u>66,119,684</u>	<u>17.00%</u>	<u>128,064,185</u>	<u>32.93%</u>
Total number of issued shares	<u><u>388,875,636</u></u>	<u><u>100.00%</u></u>	<u><u>388,875,636</u></u>	<u><u>100.00%</u></u>

Note: The percentages have been rounded up to two decimal places.

CONVERSION AND TRADING PROCEDURES

With their authorisation and on behalf of the Participating Shareholders, the Company has completed the procedures for cancellation of registration for Domestic Shares held by the Participating Shareholders in China Securities Depository and Clearing

Corporation Limited (“**China Clearing**”), Shenzhen Branch. On 23 January 2024, the Participating Shareholders holding 61,944,501 Domestic Shares have been removed from the register of members of Domestic Shares maintained by China Clearing.

The Company will complete the following procedures in connection with the Conversion and Listing:

- (i) With their authorisation and on behalf of the Participating Shareholders, the Company will appoint China Clearing as the nominee to deposit the relevant securities (the “**Relevant Securities**”) at China Securities Depository and Clearing (Hong Kong) Company Limited (“**China Clearing HK**”). China Clearing HK in its own name will deposit the Relevant Securities at Hong Kong Securities Clearing Company Limited (“**HKSCC**”). China Clearing, as the nominee of the Participating Shareholders, will handle all custody, maintenance of detailed records, cross-border settlement and corporate actions etc. relating to the Converted H Shares for the Participating Shareholders;
- (ii) The Company will instruct the H share registrar of the Company, Tricor Investor Services Limited, in relation to the issue of the relevant share certificates of the Converted H Shares; and
- (iii) The Company will make arrangements to enable the Converted H Shares be accepted as eligible securities by HKSCC for deposit, clearance and settlement in the Central Clearing and Settlement System (“**CCASS**”).

The holders of the Converted H Shares can only conduct trading of the Converted H Shares after completion of the below arrangements in relation to the registration, depository and transaction settlement of the Conversion and Listing:

- (i) The Company will apply to China Clearing, Shenzhen Branch for the maintenance of the detailed records of the initial holding of the Converted H Shares by the relevant holders. Meanwhile, the Company will submit applications for a domestic transaction commission code and abbreviation, which will be confirmed by China Clearing, Shenzhen Branch pursuant to the authorisation of the Shenzhen Stock Exchange (the “**Shenzhen Stock Exchange**”);
- (ii) The Shenzhen Stock Exchange authorises Shenzhen Securities Communication Co., Ltd. to provide services relating to trading entrustment orders and transmission of trading messages between a domestic securities company (the “**Domestic Securities Company**”) and a Hong Kong securities company (the “**Hong Kong Securities Company**”) for the Converted H Shares, and the real-time market forwarding services of the relevant H Shares;
- (iii) According to the “Circular of the State Administration of Foreign Exchange on Issues concerning the Administration of Foreign Exchange Involved in Overseas Listing” (《國家外匯管理局關於境外上市外匯管理有關問題的通知》), the holders of

the Converted H Shares who are PRC nationals should complete the overseas shareholding registration with the local foreign exchange administration bureau before the shares are sold, and after the overseas shareholding registration, open a specified bank account for the purpose of holding of shares overseas by onshore investors at an designated onshore bank with relevant qualifications, and open a specified fund account for the purpose of H share “Full Circulation” at the Domestic Securities Company. The Domestic Securities Company shall open a securities trading account for H share “Full Circulation” at the Hong Kong Securities Company; and

- (iv) The holders of the Converted H Shares who are PRC nationals should, through the specified account, submit entrusted trading order of the Converted H Shares through the Domestic Securities Company. Such orders will be submitted to the Stock Exchange for trading through the securities trading account opened by the Domestic Securities Company at the Hong Kong Securities Company. After completion of the transaction, the Hong Kong Securities Company and China Clearing HK, China Clearing HK and China Clearing, China Clearing and the Domestic Securities Company, the Domestic Securities Company and the holders of the Converted H Shares will conduct settlement respectively.

The Company has been liaising with China Clearing regarding the Conversion and Listing, and will notify the shareholders and potential investors of the Company the expected date on which the share certificates for the Converted H Shares will be issued to China Clearing HK and deposited into CCASS and the expected date on which the listing of the Converted H Shares on the Stock Exchange will commence. Further announcement(s) will be made by the Company when and where appropriate.

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

By order of the Board
Dekon Food and Agriculture Group
四川德康農牧食品集團股份有限公司
Wang Dehui

Chairman of the Board and Executive Director

People’s Republic of China, 23 January 2024

As at the date of this announcement, the executive directors of the Company are Mr. Wang Dehui, Mr. Wang Degen, Mr. Yao Hailong, Mr. Hu Wei and Mr. Zeng Min; the non-executive director of the Company is Ms. Liu Shan; and the independent non-executive directors of the Company are Mr. Pan Ying, Mr. Zhu Qing and Mr. Fung Che Wai, Anthony.