

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.



DACHAN FOOD (ASIA) LIMITED

大成食品(亞洲)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3999)

Announcement of Results for the Three Months ended 31 March 2026

The board of directors (the “Board”) of DaChan Food (Asia) Limited (the “Company”) hereby announces the unaudited consolidated results of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) for the three months ended 31 March 2026:

Highlights

	Three months ended 31 March		
	2026	2025	% change
	(unaudited)	(unaudited)	
Turnover (RMB'000)	1,376,596	1,404,526	-2.0
Gross profit (RMB'000)	172,933	150,138	15.2
Gross profit margin (%)	12.6	10.7	
Profit/(loss) attributable to shareholders of the Company (RMB'000)	3,623	(12,286)	129.5
Basic earnings/(losses) per share (RMB)	0.004	(0.012)	

CONSOLIDATED INCOME STATEMENT**For the three months ended 31 March 2026**

(Expressed in RMB'000 unless stated otherwise)

	Three months ended 31 March	
	2026	2025
	(unaudited)	(unaudited)
Turnover	1,376,596	1,404,526
Cost of sales	<u>(1,203,663)</u>	<u>(1,254,388)</u>
Gross profit	172,933	150,138
Other operating income	6,945	4,433
Other net (losses)/gains	(2,119)	(3,299)
Distribution costs	(80,333)	(88,219)
Administrative expenses	<u>(78,822)</u>	<u>(69,359)</u>
Profit/(loss) from operations	18,604	(6,306)
Finance costs	(4,224)	(850)
Share of profits/(losses) of equity-accounted investees	<u>862</u>	<u>1,106</u>
Profit/(loss) before taxation	15,242	(6,050)
Income tax	<u>(6,883)</u>	<u>(2,988)</u>
Profit/(loss) for the period	<u><u>8,359</u></u>	<u><u>(9,038)</u></u>
Attributable to:		
Shareholders of the Company	3,623	(12,286)
Non-controlling interests	<u>4,736</u>	<u>3,248</u>
Profit/(loss) for the period	<u><u>8,359</u></u>	<u><u>(9,038)</u></u>
Earnings/(losses) per share		
– Basic and diluted (RMB)	<u><u>0.004</u></u>	<u><u>(0.012)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION**At 31 March 2026**

(Expressed in RMB'000 unless stated otherwise)

	At 31 March 2026	At 31 December 2025
	(unaudited)	(audited)
Non-current assets		
Property, plant and equipment	1,666,105	1,698,672
Land use rights	133,931	134,911
Investment property	24,507	24,997
Intangible assets	7,667	7,917
Interests in equity-accounted investees	80,085	79,223
Other financial assets	1,948	1,948
Deferred tax assets	4,523	5,453
Long-term tax recoverable	85,805	85,805
Other non-current assets	22,065	18,606
	<u>2,026,636</u>	<u>2,057,532</u>
Current assets		
Inventories	531,683	508,060
Biological assets	98,046	95,490
Trade receivables	242,634	234,127
Other receivables and prepayments	209,027	210,585
Cash and cash equivalents	516,001	532,358
Restricted deposits	—	—
	<u>1,597,391</u>	<u>1,580,620</u>
Current liabilities		
Trade payables	425,136	401,803
Other payables	278,418	303,030
Contract liabilities	14,751	10,795
Interest-bearing borrowings	386,988	210,724
Lease liabilities	1,581	1,581
Income tax payable	14,414	14,042
	<u>1,121,288</u>	<u>941,975</u>
Net current assets	<u>476,103</u>	<u>638,645</u>

	At 31 March 2026 (unaudited)	At 31 December 2025 (audited)
Total assets less current liabilities	<u>2,502,739</u>	<u>2,696,177</u>
Non-current liabilities		
Interest-bearing borrowings	24,633	228,568
Lease liabilities	26,713	27,274
Deferred tax liabilities	<u>10,882</u>	<u>10,935</u>
	<u>62,228</u>	<u>266,777</u>
Net assets	<u><u>2,440,511</u></u>	<u><u>2,429,400</u></u>
Capital and reserves		
Share capital	97,920	97,920
Reserves	966,986	963,889
Retained profits	<u>1,114,823</u>	<u>1,111,200</u>
Total equity attributable to shareholders of the Company	2,179,729	2,173,009
Non-controlling interests	<u>260,782</u>	<u>256,391</u>
Total equity	<u><u>2,440,511</u></u>	<u><u>2,429,400</u></u>

RESULTS SUMMARY

I. PERFORMANCE OVERVIEW: SIGNIFICANT ENHANCEMENT IN PROFIT MOMENTUM, REMARKABLE RESULTS OF STRATEGIC TRANSFORMATION

For the first quarter of 2026, the Group steadfastly pursued its strategic transformation and lean operations in the face of a complex external market environment, resulting in a significant improvement in core profitability. During the reporting period, the Group recorded a profit attributable to shareholders of RMB3,623 thousand, successfully turning a loss into a profit compared with the same period of last year, and representing a substantial year-on-year increase of 129.5%. This fully reflected the effectiveness of the business structure optimisation of the Group and the enhancement of its overall risk resilience, demonstrating considerable business resilience and a considerable momentum for recovery.

Business highlights: The processed food segment performed outstandingly and recorded a year-on-year operating income and gross profit growth of 5.2% and 13.8% respectively, becoming a key pillar for the Group in responding to market fluctuations.

During the period, the Group recorded total operating income of RMB1,376,596 thousand, representing a slight year-on-year decrease of 2.0%. The decline in income was primarily due to proactive adoption of prudent business strategies by the Group in response to cyclical fluctuations in the feather broiler industry, which strategically reduced the scale of cyclical businesses such as broiler breeding, slaughtering and feed processing in order to mitigate systemic risks and optimise resource allocation. Although the overall income scale has declined, the diversified and balanced business portfolio of the Group remained stable, with the food, feed and meat businesses accounting for 47.9%, 26.7% and 25.4% of total operating income respectively. In terms of profit contribution, the processed food business, with its high value-added characteristics, contributed to 70.3% of the Group's gross profit, and is the core pillar of the Group's long-term sustainable development.

II. SEGMENT PERFORMANCE: STRUCTURAL OPTIMISATION DRIVING VALUE GROWTH

1. Processed Foods: Core Growth Engine with Increasing Resilience

For the first quarter, operating income from the processed food segment increased by 5.2% year-on-year, while gross profit rose by 13.8% year-on-year, making it the Group's primary profit source.

As the upstream of the white feather broiler industrial chain is more susceptible to cyclical market fluctuations, leading enterprises in the industry have been extending to the downstream food end in recent years, resulting in increasingly fierce competition in the field of processed food of chicken meat. In the face of intensifying price competition, the domestic food sales team continued to promote cost reduction and efficiency improvement of its flagship products by cooperating with the research and development, quality control, procurement, production and other departments. Simultaneously, by increasing its investment in the fields of research and development, supply chain, quality control and digitalization, and by introducing professionals, advanced equipment and software, the Company continuously improves its development and service capabilities for major chain catering customers. These strategic plans focus on medium to long-term development, including investments in production capacity building, talent reserves and digital systems, which have placed certain pressure on the profit of the processed food business in the short term, but will lay a stronger foundation for the scaled development of the Company's food business.

For the export market, the food export sales team continued to further cultivate the Japanese market, and actively expanded into new product categories, new channels and new customers. At the same time, they further increased their efforts in developing export markets apart from Japan, in order to mitigate market concentration risks. Moreover, in reliance on their own advantages in new product development, the food export sales team continued to optimize product design and production process, and strived to improve product quality and safety to better meet the demands for various international markets.

2. Feeds: Diversified Channels and Product Portfolio to Actively Address Market Changes

In the first quarter, operating income from the feed business decreased by 11.4% year-on-year. However, benefiting from refined production management and the continuous optimization of the bulk raw material procurement mechanism, gross profit increased by 8.8% year-on-year. The decline in operating income was primarily attributable to the ongoing consolidation of the domestic pig breeding industry, which resulted in a shrinking target customer base.

In the face of these challenges, the feed business team has taken proactive measures: deepening cooperation with medium-to-large-scale farms to stabilise market share through contract manufacturing; strengthening R&D and channel expansion for niche feed categories such as ruminant feed to cultivate new growth markets, and implementing a diversified strategy to mitigate risks. Concurrently, the Company is accelerating the integration of middle office functions, strengthening cross-departmental collaboration, and implementing cost-saving and efficiency-enhancing measures, such as the use of alternative raw materials, to continuously improve the market competitiveness of its products and services.

3. Meat: Progress in Business Model Transformation with Significant Improvement of Profitability

For the first quarter, operating income from the meat segment decreased by 3.7% year-on-year, while gross profit increased by 36.8% year-on-year. The improvement in profitability demonstrates that the transformation to a demand-oriented business model has begun to show results. The decline in operating income was attributable to the Company's active reduction of its meat business scale in response to an oversupplied market environment.

To counter unfavourable market situation, the meat product team actively established a production-marketing coordination mechanism, which enhanced supply chain resilience, achieved the shift from production-oriented to demand-driven, and continuously improved the Group's relative competitiveness. In the upstream of the industrial chain, the meat product team optimized the cooperation mode with contract farmers to enable benefits and risk sharing. In the midstream of the industrial chain, the meat product team advanced automated production and lean management to reduce processing costs. In the downstream of the industrial chain, the meat product team focused on the development of fine processing and differentiated products, and worked alongside the food business to expand into quality channels such as membership stores and chain supermarkets while gradually phasing out low-end customers to strengthen brand premium.

III. OUTLOOK AND STRATEGIC FOCUS

Looking ahead to 2026, the global economy will continue to face various uncertainties, but the domestic economy is expected to continue improving. With the implementation of policies to boost domestic demand and promote private economy, the consumer demand recovery momentum will be strengthened. As for the white feather broiler industry, despite the persistent pressure from oversupply in the short term, some small and medium-sized production capacity facilities have begun to withdraw from the market, and there is a chance that the supply-demand balance will gradually improve. The demand for high-quality, high-value-added chicken meat products is on the rise, leaving room for structural upgrade within the industry.

The Group will adhere to the following strategic directions:

1. Taking the food product business as the engine for performance growth, exploring opportunities for cost reduction and efficiency enhancement in core flagship products and cultivating new areas of growth in products and channels to increase profit resilience.
2. Consolidating the competitive advantage of export sales in Japan while actively expanding into international markets outside Japan.
3. Optimizing the operating model of the meat product business, continuously advancing the “basing production on sales” approach, the development of high-value-added products as well as the optimization of channel structure, with the view to mitigating the impact of price fluctuations.
4. Developing new customers by expanding diversified products and channels for the feeds business, thereby leading to the increase in the sales volume and diversification of market risks.

With the synergy of “scale-up of food production, internationalization of export sales, value-adding of meat products and diversification of feeds” developing in tandem, the Company will optimize its supply chain management system by digitalization and intelligent transformation to enhance its operational efficiency and industrial competitiveness.

The Group maintains a healthy financial structure. As at 31 March 2026, net assets of the Group amounted to RMB2,440,511 thousand; cash and cash equivalents represented 14.2% of total assets. As at 31 March 2026, current ratio of the Group was 1.42, representing a slight decrease over the ratio of 1.68 as at 31 December 2025. The interest-bearing borrowings to equity ratio as at 31 March 2026 was 16.9%, representing a slight decrease over the relevant ratio (18.1%) as at 31 December 2025.

OTHERS

As at the date of this announcement, the Company is a subsidiary of Great Wall Enterprise Co. Ltd. (“Great Wall Enterprise”, the shares of which are listed on Taiwan Stock Exchange Corporation (the “Taiwan Stock Exchange”)), which indirectly holds approximately 61.61% of the issued shares of the Company; therefore, the operating results of the Group will be consolidated into the financial statements of Great Wall Enterprise. In accordance with the Taiwan Securities and Exchange Act and the listing rules of the Taiwan Stock Exchange, Great Wall Enterprise is required to prepare its own consolidated quarterly financial reports and publish its quarterly operating results on its website.

This announcement is made for the purpose of disclosing the financial information of the Company to its shareholders and potential investors in a timely manner in compliance with the requirements of Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

PURCHASES, SALE OR REDEMPTION OF SECURITIES

For the three months ended 31 March 2026, the Company and any of its subsidiaries have not purchased, redeemed or sold any of the Company’s listed securities.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the Group’s consolidated financial statements for the three months ended 31 March 2026 which have not been audited by the independent auditor.

On behalf of the Board
James Chun-Hsien Wei
Chairman

Hong Kong, 28 April 2026

As at the date of this announcement, Mr. James Chun-Hsien Wei (Chairman) and Mr. Han Chia-Yin are the executive directors of the Company, Mr. Han Chia-Yau, Mr. Harn Jia-Chen, Mr. Han Jia-Hwan, Mr. Chao Tien-Shin and Mr. Wei Anning are the non-executive directors of the Company, and Mr. Ting Yu-Shan, Mr. Hsia, Li-Yan, Ms. Lee Tsai, Yu-Ling and Mr. Kao Koong-Lian are the independent non-executive directors of the Company.