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
PROFIT ALERT

This announcement is made by Dekon Food and Agriculture Group (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The board of directors (the "**Directors**") of the Company (the "**Board**") wishes to inform the shareholders and potential investors of the Company that, based on its preliminary assessment of the Group's unaudited consolidated management accounts for the six months ended 30 June 2026 (the "**Reporting Period**") and the data currently available to the Board, the Group expects to record a net loss of approximately RMB1,200 million to RMB1,400 million during the Reporting Period, as compared to a net profit of approximately RMB1,227 million for the corresponding period in 2025 *(see note)*.

The results for the current period turned from profit to loss is primarily attributable to the prolonged downturn in the hog market during the Reporting Period and a significant year-on-year decline in selling price of hogs, which have put pressure on the gross profit of the Group's core hog breeding business and resulted in a gross loss. Whilst the Group has strived to improve production efficiency and lower breeding costs through technological research and development and innovation, lean production management and business model upgrades, as well as hedging operational risks by adopting financial derivative instruments such as hog futures, the adverse impact of persistently low hog prices on profitability has substantially outweighed the benefits brought by such initiatives.

The loss for the Reporting Period also takes into account the impairment provisions on certain inventories and biological assets made in accordance with the relevant provisions and requirements of the Accounting Standards for Business Enterprises promulgated by the Ministry of Finance of the People's Republic of China (hereinafter referred to as the "**China Accounting Standards for Business Enterprises**") and based on the principle of prudence.

The Company is in the process of finalising the interim results announcement of the Group for the six months ended 30 June 2026. The data contained in this announcement is only a preliminary assessment by the Board based on the Group's unaudited consolidated management accounts for the six months ended 30 June 2026 and the information currently available to it, and such information has not been reviewed by the Company's auditors or audit committee. Further details of the Group's financial results will be disclosed in the interim results announcement of the Company, which is expected to be published by the end of August 2026 in accordance with the Listing Rules.

Note:

The Company has adopted the China Accounting Standards for Business Enterprises for the preparation of its financial statements commencing from the 2025 annual report. The net profit for the corresponding period in 2025 of approximately RMB1,227 million set out above is based on the China Accounting Standards for Business Enterprises. The Company's net profit for the corresponding period in 2025 previously disclosed under the International Accounting Standards amounted to RMB1,360 million, which was the figure before excluding the impact of changes in fair value of biological assets. The difference is primarily attributable to the discrepancies in recognition, measurement and presentation of relevant items under different accounting standards.

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 Degen
Chairman of the Board and Executive Director

People's Republic of China, 15 July 2026

As at the date of this announcement, the executive directors of the Company are Mr. Wang Degen, Mr. Wang Dehui, 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. Chan Yuk Tong, Mr. Zhu Qing and Mr. Pan Ying.