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.

This announcement is for information purposes only and does not constitute an invitation or solicitation of an offer to acquire, purchase or subscribe for securities or an invitation to enter into an agreement to do any such things, nor is it calculated to invite any offer to acquire, purchase or subscribe for any securities.

*This announcement is not for distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia). This announcement and the information herein do not constitute or form a part of any offer or solicitation to purchase, subscribe or sell securities in the United States. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state of the United States or other jurisdiction. The securities referred to herein will be offered and sold outside the United States in reliance on Regulation S under the Securities Act and may not be offered or sold within the United States absent registration or an applicable exemption from registration under the Securities Act. No public offering of the securities referred to herein is being or will be made in the United States or in any other jurisdiction where such an offering is restricted or prohibited. No money, securities or other consideration is being solicited by this announcement or the information contained herein and, if sent in response to this announcement or the information contained herein, will not be accepted.*

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)

PROPOSED ISSUANCE OF US$100 MILLION ZERO COUPON CONVERTIBLE BONDS DUE 2027 UNDER GENERAL MANDATE

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

This announcement is made by the Company pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

On 24 July 2026 (after trading hours), the Company and the Managers entered into the Subscription Agreement, pursuant to which and subject to certain conditions contained therein, the Company has agreed to issue, and the Managers have agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Bonds in a principal amount of US$100 million.

The Bonds are convertible in the circumstances set out in the Terms and Conditions into H Shares at an initial Conversion Price of HK$54.08 per H Share (subject to adjustments).

The initial Conversion Price is HK$54.08 per H Share, which represents (i) a premium of approximately 5.00% over the last closing price of HK$51.50 per H Share as quoted on the Hong Kong Stock Exchange on 24 July 2026 (being the trading day on which the Subscription Agreement was signed) and (ii) a premium of approximately 5.58% over the average closing price of HK$51.22 per H Share as quoted on the Hong Kong Stock Exchange for the five consecutive trading days immediately preceding the date of the Subscription Agreement.

Assuming full conversion of the Bonds at the initial Conversion Price of HK$54.08 per H Share and applying the Fixed Exchange Rate, the Bonds will be convertible into approximately 14,500,369 H Shares, representing approximately 9.20% of the total issued H share capital of the Company and approximately 3.73% of the total issued share capital of the Company as at the date of this announcement, and approximately 8.43% of the enlarged total issued H share capital of the Company and approximately 3.59% of the enlarged total issued share capital of the Company resulting from the full conversion of the Bonds at the initial Conversion Price, and approximately 8.60% of the enlarged total issued H share capital of the Company excluding Treasury H Shares and approximately 3.63% of the enlarged total issued share capital of the Company excluding Treasury Shares resulting from such full conversion. The Conversion Shares will be fully-paid and will rank *pari passu* in all respects with the H Shares then in issue on the relevant registration date.

Based on the estimated net proceeds from the Subscription of approximately US$99.70 million (equivalent to approximately HK$781.83 million at the Fixed Exchange Rate) and the 14,500,369 Conversion Shares to be issued upon full conversion of the Bonds, the net issue price per Conversion Share is estimated to be approximately HK$53.92.

Subject to completion of the issue of the Bonds, the net proceeds from the Subscription of the Bonds, after deducting the estimated expenses payable in connection with this offering, will be approximately US$99.70 million. The Company intends to use the proceeds from the Subscription in the manner detailed in the paragraph headed "Use of Proceeds".

The Conversion Shares will be allotted and issued by the Company pursuant to the general mandate granted to the Board by the Shareholders at the 2025 annual general meeting of the Company held on 15 April 2026. The Subscription of the Bonds and the issue of the Conversion Shares by the Company are not subject to further Shareholders' approval.

It is intended that the Bonds will be listed on the Vienna MTF operated by the Vienna Stock Exchange. An application will be made to the Vienna Stock Exchange for the listing of the Bonds. The Company will apply to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Conversion Shares to be allotted and issued upon conversion of the Bonds on the Hong Kong Stock Exchange.

Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. In addition, the Subscription Agreement may be terminated in certain circumstances.

As the transactions envisaged under the Subscription Agreement may or may not be completed, the Bonds may or may not be issued or listed and/or the Conversion Shares may or may not be issued or listed, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

This announcement is made by the Company pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

On 24 July 2026 (after trading hours), the Company and the Managers entered into the Subscription Agreement, pursuant to which and subject to certain conditions contained therein, the Company has agreed to issue, and the Managers have agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Bonds in a principal amount of US$100 million.

SUBSCRIPTION AGREEMENT

Date

24 July 2026 (after trading hours)

Parties

1. The Company as issuer; and

2. The Managers.

Subscription

Subject to the satisfaction of the conditions set out below in the section headed "Conditions precedent", the Managers have agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Bonds in a principal amount of US$100 million. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of the Managers and their respective ultimate beneficial owner(s) is a third party independent of the Company and is not a connected person of the Company.

Subscribers

The Managers have informed the Company that the Bonds may be offered to less than six independent subscribers (who will be independent individual, corporate and/or institutional investors). To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the subscribers (and their respective ultimate beneficial owners) is not a connected person of the Company. In the event that the Bonds are ultimately subscribed for by fewer than six subscribers, the names and principal business activities of such subscribers and, where applicable, the identities of their respective ultimate beneficial owners will be disclosed in a further announcement of the Company as soon as practicable after the final allocation has been determined.

Conditions precedent

The obligations of the Managers to subscribe and pay for the Bonds are conditional on, among others:

1. Legal opinions: on or before the Closing Date, delivery to the Managers of opinions, in such form as the Managers may reasonably request and dated the Closing Date, of the Company's PRC legal advisers, the Managers' PRC legal advisers, and the Managers' English and Hong Kong legal advisers;

2. Consents: on or prior to the Closing Date, delivery to the Managers of copies of the constitutional documents of the Company and all consents and approvals, including board and shareholders' resolutions (as applicable), required in relation to the issue of the Bonds and the performance of the Company's obligations under the Contracts and the Bonds (including any consents and approvals required from any lenders), other than the CSRC Post-Issuance Filings;

3. CSRC Post-Issuance Filings: on or prior to the Closing Date, delivery to the Managers, in form and substance reasonably satisfactory to them, of the agreed and final or substantially complete drafts of the CSRC Post-Issuance Filing Report

(including the Company's letter of undertaking), the PRC legal opinions to be submitted to the CSRC (including the relevant letter of undertaking), and any other CSRC Post-Issuance Filings required by the CSRC;

4. Other Contracts: the execution and delivery, on or before the Closing Date, by the relevant parties of the other Contracts, each in a form satisfactory to the Managers;

5. Compliance: at the Closing Date, (i) the representations and warranties of the Company in the Subscription Agreement being true, accurate and correct at, and as if made on, such date; (ii) the Company having performed all of its obligations under the Subscription Agreement to be performed on or before such date; and (iii) delivery to the Managers of a certificate, dated as of the Closing Date, of a duly authorised officer of the Company to such effect;

6. Material Adverse Change: after the date of the Subscription Agreement up to and at the Closing Date, there not having occurred any adverse change (nor any development or event likely to involve a prospective change) in the financial condition, prospects, results of operations, business or general affairs of the Company or the Group which is material and adverse in the context of the offering and the Bonds;

7. Stock Exchange Approval: the Hong Kong Stock Exchange having granted approval to list the Conversion Shares upon conversion of the Bonds (or the Managers being satisfied that such listing will be granted) and the Vienna Stock Exchange having granted approval to list the Bonds (or the Managers being satisfied that such listing will be granted); and

8. Lock-Up Undertaking: on or prior to the date of the Subscription Agreement, Mr. Wang Degen having entered into the Lock-Up Undertaking with the Company and the Managers.

The Managers may, at their discretion and upon such terms as they think fit, waive compliance with the whole or any part of the conditions precedent, other than the conditions relating to consents and other Contracts.

As at the date of this announcement, certain of the above conditions precedent to completion of the Subscription Agreement are yet to be satisfied and/or waived (as the case may be). The Company intends to satisfy or procure the satisfaction of the conditions precedent before the Closing Date.

Termination

Notwithstanding anything contained in the Subscription Agreement, the Managers may, by notice to the Company given at any time prior to payment of the net subscription monies for the Bonds to the Company, terminate the Subscription Agreement in any of the following circumstances:

1. if there shall have come to the notice of the Managers any breach of, or any event rendering untrue or incorrect in any respect, any of the warranties and representations contained in the Subscription Agreement or any failure to perform, or breach of any of the Company's undertakings or agreements in the Subscription Agreement;

2. if any of the conditions precedent set out in the Subscription Agreement has not been satisfied or waived by the Managers on or prior to the Closing Date;

3. if, in the opinion of the Managers, there shall have been, since the date of the Subscription Agreement, any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions or currency exchange rates or foreign exchange controls, which would be likely to prejudice materially the success of the issue, offering, sale or distribution of the Bonds and the Conversion Shares or dealings in the Bonds or the H Shares, whether in the primary or secondary market;

4. if, in the opinion of the Managers, there shall have occurred any of the following events: (i) a suspension or material limitation in trading in securities generally on the New York Stock Exchange, the London Stock Exchange plc, the Vienna Stock Exchange, the Hong Kong Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange and/or any other stock exchange on which securities of any member of the Group are traded; (ii) a suspension or material limitation in trading in securities of any member of the Group on the Hong Kong Stock Exchange and/or any other stock exchange on which securities of any member of the Group are traded; or (iii) a general moratorium on commercial banking activities in the United States, Hong Kong, the PRC and/or the United Kingdom declared by the relevant authorities, or a material disruption in commercial banking or securities settlement or clearance services in those jurisdictions; or

5. if, in the opinion of the Managers, there shall have occurred any local, national or international outbreak or escalation of disaster, hostility, insurrection, armed conflict, act of terrorism, act of God or epidemic which would in the Managers' view be likely to prejudice materially the success of the offering and distribution of the Bonds and the Conversion Shares or dealings in the Bonds or the H Shares in the secondary market.

Lock-up undertakings

Neither the Company nor any person acting on its behalf will, without the prior written consent of the Managers, during the period from the date of the Subscription Agreement to the date falling 90 days after the Closing Date (both dates inclusive), (a) issue, offer, sell, pledge, contract to sell or otherwise dispose of, or grant options, issue warrants or offer rights entitling persons to subscribe for or purchase, any interest in any Shares or securities of the same class as the Bonds or the Shares or any securities convertible into, exchangeable into, exercisable for, or which carry rights to subscribe or purchase the Bonds, the Shares or securities of the same class as the Bonds, the Shares or other instruments representing interests in the Bonds, the Shares or other securities of the same class as them; (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Shares; (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Shares or other securities, in cash or otherwise; or (d) announce or otherwise make public an intention to do any of the foregoing, save for (i) Shares delivered upon conversion of the Bonds and (ii) any adoption by the Company of an employee incentive scheme or plan, or any issuance of Shares or grant of rights to subscribe for Shares pursuant to such scheme or plan.

Mr. Wang Degen has entered into a lock-up undertaking with the Company and the Managers on substantially the same terms.

PRINCIPAL TERMS OF THE BONDS

The principal terms of the Bonds are summarised as follows:

Company:	Dekon Food and Agriculture Group (四川德康農牧食品集團股份有限公司)
Maturity Date:	On 2 August 2027
Issue Price:	100.00% of the principal amount of the Bonds
Bonds:	US$100 million zero coupon convertible bonds due 2027 convertible at the option of the holder thereof into fully paid ordinary H Shares of the Company of a nominal value of RMB1.00 each at the initial Conversion Price of HK$54.08 per H Share.
Interest:	The Bonds are zero coupon and do not bear any interest, unless full payment of principal and premium (if any) is improperly withheld or refused, in which case the unpaid amount will bear interest at a rate of 3 per cent. per annum (both before and after judgment) in accordance with the Terms and Conditions.

Status:	The Bonds will constitute direct, unsubordinated, unconditional and (subject to the Terms and Conditions) unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Company under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to the Terms and Conditions, at all times rank at least equally with all of its other present and future direct, unsubordinated, unconditional and unsecured obligations.
Form and denomination:	The Bonds will be issued in registered form in the specified denomination of US$200,000 each and integral multiples of US$100,000 in excess thereof.
Fixed Exchange Rate:	For the purpose of determining the number of H Shares to be issued upon conversion, the principal amount of the Bonds to be converted will be translated into HK dollars at the fixed rate of HK$7.8418 = US$1.00.
Conversion period:	Subject to and upon compliance with the Terms and Conditions, the Conversion Right attaching to any Bond may be exercised, at the option of the Bondholder, at any time on and after the day after the Issue Date up to the close of business (at the place where the certificate (as defined in the Terms and Conditions) evidencing such Bond is deposited for conversion) on the date falling 10 days prior to 2 August 2027 (both dates inclusive), or, if such Bond has been called for redemption by the Company before the Maturity Date, up to and including the close of business (at the place aforesaid) on a date no later than 10 days (at the place aforesaid) prior to the date fixed for redemption thereof, provided that no Conversion Right may be exercised in respect of a Bond where the holder has exercised its right to require the Company to redeem or repurchase the Bond pursuant to the Terms and Conditions; provided further that the Conversion Right is exercised subject to any applicable fiscal or other laws or regulations and the Terms and Conditions (the "**Conversion Period**").

Notwithstanding the foregoing, if the Conversion Date in respect of a Bond would otherwise fall during a Book Closure Period, such Conversion Date shall be postponed to the first H Share Stock Exchange Business Day following the expiry of such Book Closure Period. Any delivery of the relevant conversion documents during a Book Closure Period will be deemed to have been made on the H Share Stock Exchange Business Day following the last day of such Book Closure Period, unless that day falls outside the Conversion Period. The Company will notify the Trustee, the agents appointed under the Agency Agreement and the Bondholders of the occurrence of a Book Closure Period on or around the time it announces or otherwise notifies the Shareholders of such Book Closure Period.

If the Conversion Date in respect of the exercise of any Conversion Right is postponed as a result of the foregoing provision to a date that falls after the expiry of the Conversion Period, such Conversion Date shall be deemed to be the final day of such Conversion Period.

Conversion Price: The price at which H Shares will be issued upon conversion will initially be HK$54.08 per H Share but will be subject to adjustments for, among other things, consolidation, subdivision or re-classification of H Shares, capitalisation of profits or reserves, capital distributions, rights issues of Ordinary Shares or options over Ordinary Shares at a consideration less than 95% of the current market price, rights issues of other securities, issues at less than 95% of the current market price, other issues at less than 95% of the current market price, modification of rights of conversion etc. at less than 95% of the current market price, other offers to Ordinary Shareholders, other events (but only to the extent that the adjustment would result in a reduction in the Conversion Price), further classes of Ordinary Shares and Change of Control (please see below), as further described in the Terms and Conditions. No adjustment will generally be made in respect of share scheme options unless the Ordinary Shares issuable upon exercise of all share scheme options granted during the relevant 12-month period represent, in aggregate, more than 3% of the average number of issued and outstanding Ordinary Shares during that period, in which case only the portion exceeding 3% will be taken into account in determining the adjustment.

Adjustment upon Change of Control:	If a Change of Control shall have occurred, the Company shall give notice to the Bondholders, the Trustee and the agents appointed under the Agency Agreement in writing within 14 days after it becomes aware of such Change of Control. Upon any exercise of Conversion Rights where the relevant Conversion Date falls within the 30-day period following the later of (i) the occurrence of the relevant Change of Control and (ii) the date on which the Change of Control notice is given to Bondholders (such period, the "**Change of Control Conversion Period**"), the Conversion Price will be adjusted as follows: $NCP = OCP/(1 + (CP \times c/t))$ where NCP is the Conversion Price after such adjustment; OCP is the Conversion Price applicable on the relevant Conversion Date before such adjustment; CP is the Conversion Premium of 5.00% expressed as a fraction; c is the number of days from and including the first day of the Change of Control Conversion Period to but excluding the Maturity Date; and t is the number of days from and including the Issue Date to but excluding the Maturity Date. The Conversion Price shall not be reduced below the level permitted by applicable laws and regulations from time to time (if any). If the last day of the Change of Control Conversion Period falls during a Restricted Transfer Period (as defined in the Terms and Conditions), that period will be extended so that its last day is the fifteenth day following the last day of the Restricted Transfer Period. On the next H Share Stock Exchange Business Day, the Conversion Price will be re-adjusted to the Conversion Price in force immediately before the adjustment during the Change of Control Conversion Period.
Ranking of Conversion Shares:	The H Shares issued upon exercise of the Conversion Rights will be fully paid up and will in all respects rank *pari passu* with, and within the same class as, the H Shares in issue on the relevant registration date except for any right excluded by mandatory provisions of applicable law.
Redemption at maturity:	Unless previously redeemed, converted or purchased and cancelled as provided in the Terms and Conditions, the Company will redeem each Bond at 101.00 per cent. of its outstanding principal amount on the Maturity Date.

Redemption at the option of the Company:	The Company may, having given not less than 30 nor more than 60 days' notice (an "**Optional Redemption Notice**") to the Bondholders, the Trustee and the Principal Agent, redeem all but not some only of the Bonds at their Early Redemption Amount if at any time the aggregate principal amount of the Bonds outstanding is less than 10% of the aggregate principal amount originally issued. Upon expiry of the Optional Redemption Notice, the Company will redeem the relevant Bonds at their Early Redemption Amount on the date fixed for redemption. Such redemption may not occur within seven days of the end of a Restricted Transfer Period.
Redemption for taxation reasons:	At any time, the Company may, having given not less than 30 nor more than 60 days' notice (which notice shall be irrevocable) to the Bondholders, the Trustee and the Principal Agent, redeem all but not some only of the Bonds at their Early Redemption Amount if it satisfies the Trustee immediately before giving such notice that (i) it has or will become obliged to pay Additional Tax Amounts as a result of a change in, or amendment to, the laws or regulations of the PRC or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 24 July 2026, and (ii) such obligation cannot be avoided by the Company taking reasonable measures available to it, provided that no such notice may be given earlier than 90 days before the earliest date on which the Company would be obliged to pay the Additional Tax Amounts were a payment in respect of the Bonds then due. Prior to giving the notice, the Company must deliver to the Trustee an authorised signatory's certificate and an independent legal or tax adviser's opinion supporting the above conditions. The redemption may not occur within seven days of the end of a Restricted Transfer Period. A Bondholder may elect that its Bonds shall not be redeemed. In that case, Additional Tax Amounts will not be payable in respect of payments due after the Tax Redemption Date, which payments will be made subject to the required tax deduction or withholding. The holder must make the election in accordance with the Terms and Conditions by the day falling 10 days before the Tax Redemption Date.

Redemption for Relevant Events:	Following the occurrence of a Relevant Event, the holder of each Bond will have the right, at its option, to require the Company to redeem all or some only of its Bonds on the Relevant Event Put Date (being the fourteenth day after the expiry of the applicable 30-day exercise period under the Terms and Conditions) at their Early Redemption Amount. A "Relevant Event" means a Change of Control, a Delisting, an H Share Suspension in Trading or a No Registration Event. A "No Registration Event" occurs where the Release Condition is not complied with on or before the Registration Deadline.
Negative pledge:	Subject to certain exceptions, so long as any of the Bonds remains outstanding (as defined in the Trust Deed), the Company will not, and will procure that none of its principal subsidiaries will, create or have outstanding any mortgage, charge, lien, pledge or other security interest upon, or with respect to, any present or future business, undertaking, assets or revenues (including any uncalled capital) of the Company and/or any of its principal subsidiaries to secure any Relevant Indebtedness, unless the Company, in the case of the creation of the security interest, before or at the same time and, in any other case, promptly takes any and all action necessary to ensure that all amounts payable by the Company under the Bonds are secured by the security interests equally and rateably with such Relevant Indebtedness, or another security interest or arrangement (whether or not it includes the giving of a security interest) is provided in respect of all amounts payable by it under the Bonds as is approved by an extraordinary resolution of the Bondholders.

CONVERSION PRICE AND CONVERSION SHARES

The initial Conversion Price is HK$54.08 per H Share, which represents (i) a premium of approximately 5.00% over the last closing price of HK$51.50 per H Share as quoted on the Hong Kong Stock Exchange on 24 July 2026 (being the trading day on which the Subscription Agreement was signed) and (ii) a premium of approximately 5.58% over the average closing price of HK$51.22 per H Share as quoted on the Hong Kong Stock Exchange for the five consecutive trading days immediately preceding the date of the Subscription Agreement.

The Conversion Price was determined with reference to the prevailing market price of the H Shares and the Terms and Conditions (including the redemption options) and was negotiated on an arm's length basis between the Company and the Managers. The Directors consider that the Conversion Price is fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Assuming full conversion of the Bonds at the initial Conversion Price of HK$54.08 per H Share and applying the Fixed Exchange Rate, the Bonds will be convertible into approximately 14,500,369 H Shares, representing approximately 9.20% of the total issued H share capital of the Company and approximately 3.73% of the total issued share capital of the Company as at the date of this announcement, and approximately 8.43% of the enlarged total issued H share capital of the Company and approximately 3.59% of the enlarged total issued share capital of the Company resulting from the full conversion of the Bonds at the initial Conversion Price, and approximately 8.60% of the enlarged total issued H share capital of the Company excluding Treasury H Shares and approximately 3.63% of the enlarged total issued share capital of the Company excluding Treasury Shares resulting from such full conversion. The Conversion Shares will be fully paid and will rank *pari passu* in all respects with the H Shares then in issue on the relevant registration date.

The aggregate nominal amount of the Conversion Shares will be RMB14.50 million. The net issue price per Conversion Share, calculated by dividing the estimated net proceeds from the Subscription of approximately US$99.70 million (equivalent to approximately HK$781.83 million at the Fixed Exchange Rate) by the 14,500,369 Conversion Shares issuable upon full conversion of the Bonds at the initial Conversion Price, will be approximately HK$53.92.

EFFECT ON SHAREHOLDINGS

The table below sets out a summary of the shareholdings in the Company (i) as at the date of this announcement and (ii) upon the exercise in full of the Conversion Rights attached to the Bonds:

Shareholder	As at the date of this announcement		Immediately after the completion of the issue and allotment of the Conversion Shares assuming the Bonds are fully converted into H Shares (subject to adjustments) at the initial Conversion Price of HK$54.08 per H Share[2]	
	Number of Ordinary Shares	Approximate percentage of the total issued Ordinary Share (%)	Number of Ordinary Shares	Approximate percentage of the total issued Ordinary Share (%)
Domestic Shares				
Controlling Shareholders[3]	131,316,098	33.77	131,316,098	32.55
Other core connected persons of the Company[4]	23,469,038	6.04	23,469,038	5.82
Other holders of Domestic Shares	76,502,046	19.67	76,502,046	18.97
Total number of Domestic Shares	**231,287,182**	**59.48**	**231,287,182**	**57.34**
H Shares				
Controlling Shareholders[3]	13,967,969	3.59	13,967,969	3.46
Other core connected persons of the Company[4]	49,374,432	12.70	49,374,432	12.24
Public H Shareholders	90,727,353	23.33	90,727,353	22.49
Bondholders	—	—	14,500,369	3.59
Treasury H Shares held by the Company[5]	3,518,700	0.90	3,518,700	0.87
Total number of H Shares	157,588,454	40.52	172,088,823	42.66
Total issued Ordinary Shares	**388,875,636**	**100.00**	**403,376,005**	**100.00**

Notes:

1. Certain percentage figures included in the table above have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them. The percentage figures as at the date of this announcement are calculated based on a total of 388,875,636 issued Ordinary Shares, comprising 231,287,182 Domestic Shares and 157,588,454 H Shares (including 3,518,700 Treasury H Shares).

2. The shareholding structure immediately after the full conversion of the Bonds is presented for illustrative purposes only and assumes that: (i) the Bonds are fully converted at the initial Conversion Price of HK$54.08 per H Share without any adjustment to the Conversion Price and applying the Fixed Exchange Rate; (ii) 14,500,369 Conversion Shares are allotted and issued upon such conversion; and (iii) there is no other change in the issued share capital or shareholding structure of the Company from the date of this announcement up to the date of the full conversion of the Bonds. The percentage figures following the full conversion of the Bonds will be calculated based on a total of 403,376,005 issued Ordinary Shares.

3. The Controlling Shareholders comprise Mr. Wang Degen and Dekon Holding. Dekon Holding is wholly owned by Mr. Wang Degen. Accordingly, Mr. Wang Degen is deemed to be interested in the Shares held by Dekon Holding under the SFO. To avoid double counting, the Shares held by Dekon Holding have only been counted once in the table above.

4. "Other core connected persons of the Company" shown in the table above comprise the following:

   In respect of H Shares, (i) Mr. Wang Dehui, an executive Director, is deemed under the SFO to be interested in 5,190,043 H Shares held through Chengdu Zhongcheng Jinyi Enterprise Management Centre (Limited Partnership) and Chengdu Tongchuang Deheng Enterprise Management Centre (Limited Partnership), being employee shareholding platforms controlled by him; and (ii) Mr. Chen Yuxin, a substantial Shareholder, beneficially holds 44,184,389 H Shares.

   Certain other Directors and Supervisors, namely Mr. Yao Hailong, Mr. Zeng Min, Ms. Zhu Hui, Ms. Gong Shuang and Ms. Zhou Zhexu, have economic interests in certain H Shares held through the employee shareholding platforms. Such interests are included in the aforesaid 5,190,043 H Shares and have not been counted separately. Ms. Zhao Guiqin, the spouse of Mr. Chen Yuxin, is deemed under the SFO to be interested in the same 44,184,389 H Shares beneficially held by Mr. Chen Yuxin, and such deemed interest has not been counted separately to avoid double counting.

   In respect of Domestic Shares, (iii) Mr. Wang Dehui directly holds 5,957,599 Domestic Shares; (iv) the employee shareholding platforms controlled by Mr. Wang Dehui hold approximately 5,596,243 Domestic Shares; (v) Mr. Hu Wei directly holds 8,936,398 Domestic Shares; and (vi) Mr. Yao Hailong directly holds 2,978,799 Domestic Shares.

   In addition, Mr. Yao Hailong, Mr. Zeng Min, Ms. Zhu Hui, Ms. Gong Shuang and Ms. Zhou Zhexu have economic interests in certain Domestic Shares held through the employee shareholding platforms. Such interests form part of the Domestic Shares held by the employee shareholding platforms and have not been counted separately to avoid double counting.

   The aggregate number of Domestic Shares held by the above persons and employee shareholding platforms is 23,469,039, which corresponds to the figure of 23,469,038 shown in the table, with the difference of one Share being attributable to rounding.

5. As at the date of this announcement, the Company held 3,518,700 H Shares as Treasury Shares. The Treasury H Shares are included in the total number of issued H Shares and the total number of issued Ordinary Shares for the purpose of the shareholding percentages set out in the table, but are not regarded as being held by the public. The Treasury H Shares carry no voting rights and no entitlement to dividends while they remain Treasury Shares. For illustrative purposes, it is assumed that there will be no change in the number of Treasury H Shares upon the full conversion of the Bonds. The Company does not intend to transfer any Treasury Shares upon exercise of the Conversion Rights.

USE OF PROCEEDS

Subject to completion of the issue of the Bonds, the net proceeds from the Subscription of the Bonds, after deducting the estimated expenses payable in connection with the offering (the "**Net Proceeds**"), are estimated to be approximately US$99.70 million.

The Company intends to apply the Net Proceeds for the following purposes:

No.	Use of Net Proceeds	Allocation of Net Proceeds	Percentage of Net Proceeds	Expected Timeline for Full Utilisation
1.	Repayment of certain outstanding bank borrowings of the Group(1)	US$39.88 million	40%	By the end of July 2027
2.	Financing the Group's procurement of feed in the ordinary course of business(2)	US$29.91 million	30%	By the end of July 2027
3.	Financing the Group's procurement of raw materials and other production inputs, principally feed ingredients, veterinary medicines, vaccines, disinfectants and other animal healthcare products, in the ordinary course of business(3)	US$29.91 million	30%	By the end of July 2027
	Total	**US$99.70 million**	**100%**	—

Notes:

(1) As at the date of this announcement, the Group's outstanding short-term bank borrowings, together with its medium- and long-term bank borrowings falling due within one year, had an aggregate principal amount of approximately RMB2,538.97 million (equivalent to approximately US$373.71 million, based on the central parity rate of US$1.00 to RMB6.7939 announced by the China Foreign Exchange Trade System under the authorisation of the People's Bank of China on 24 July 2026). These bank borrowings bear interest at rates ranging from 0.82% to 4.75% per annum and have maturity dates falling between August 2026 and July 2027. Approximately US$39.88 million, representing 40% of the Net Proceeds, will be used to repay a portion of these bank borrowings.

Based on the above outstanding principal amount and the same illustrative exchange rate, such portion of the Net Proceeds is equivalent to approximately RMB270.94 million, and the portion of these bank borrowings not covered by such portion of the Net Proceeds would amount to approximately RMB2,268.03 million (equivalent to approximately US$333.83 million). Such remaining amount is expected to be repaid as and when due using the Group's cash generated from operating activities, available banking facilities and other available financial resources.

The Company expects that the portion of the Net Proceeds allocated to the repayment of short-term bank borrowings will be fully utilised by the end of July 2027.

(2) Approximately US$29.91 million, representing 30% of the Net Proceeds, will be used to finance the Group's procurement of feed required for its livestock and poultry farming operations in the ordinary course of business. Depending on the Group's procurement needs, the relevant feed may be procured from suppliers in the PRC and overseas. The Company expects that this portion of the Net Proceeds will be fully utilised by the end of July 2027.

(3) Approximately US$29.91 million, representing 30% of the Net Proceeds, will be used to finance the Group's procurement of raw materials and other production inputs required for its livestock and poultry farming operations in the ordinary course of business. Such raw materials and other production inputs principally comprise feed ingredients, veterinary medicines, vaccines, disinfectants and other animal healthcare products, including preventive nutritional products used for hogs and broiler chickens during the farming process to support disease prevention and animal health management. Depending on the Group's procurement needs, the relevant raw materials and other production inputs may be procured from suppliers in the PRC and overseas. For the avoidance of doubt, the feed ingredients referred to in this item comprise raw materials used in the production or preparation of feed and do not include the feed referred to in item 2 above. The Company expects that this portion of the Net Proceeds will be fully utilised by the end of July 2027.

REASONS FOR AND BENEFITS OF THE ISSUE OF THE BONDS

The Board considers that the issue of the Bonds provides the Group with an appropriate opportunity to raise funds to meet its repayment arrangements in respect of its bank borrowings falling due within one year and its working capital requirements in the ordinary course of business. As set out in the section headed "Use of Proceeds" above, the Net Proceeds are intended to be used to repay certain outstanding short-term bank borrowings and medium- and long-term bank borrowings falling due within one year, and to finance the Group's procurement of feed, raw materials and other production inputs, principally comprising feed ingredients, veterinary medicines, vaccines, disinfectants and other animal healthcare products, in the ordinary course of business. Such procurement is required for the day-to-day operations of the Group's livestock and poultry farming business.

The Board considers that the application of the Net Proceeds in the manner described above will assist the Group in managing the repayment of such bank borrowings and meeting its day-to-day procurement funding requirements, thereby providing funding support for the ordinary operations of the Group's existing business. Accordingly, the Board considers that the issue of the Bonds is in the interests of the Company and the Shareholders as a whole.

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Subscription Agreement and the issue of the Bonds are made on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

GENERAL MANDATE FOR THE ISSUE OF THE BONDS AND THE CONVERSION SHARES

At the 2025 annual general meeting of the Company held on 15 April 2026, a special resolution was duly passed to grant a general mandate (the "**General Mandate**") to the Board and its authorised person(s) to allot, issue and deal with Shares, securities convertible into Shares, or options, warrants or similar rights to subscribe for Shares or such convertible securities, either separately or concurrently. The aggregate number of Shares to be allotted, issued and dealt with under the General Mandate shall not exceed 20% of the total issued Shares of the Company (excluding Treasury Shares) as at the date of passing of the relevant resolution. As at the date of the 2025 annual general meeting, the Company had 385,356,936 issued Shares, excluding 3,518,700 Treasury H Shares. Accordingly, the General Mandate permits the Company to allot, issue and deal with up to 77,071,387 Shares, either separately or concurrently. The General Mandate will remain in force until the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the expiry of the 12-month period following the passing of the relevant resolution; and (iii) the date on which the General Mandate is revoked or varied by a special resolution of the Shareholders at a general meeting of the Company.

As at the date of this announcement and immediately prior to the entering into of the Subscription Agreement, the Company has not allotted, issued or dealt with any Shares pursuant to the General Mandate. The Conversion Shares to be issued upon conversion of the Bonds will be allotted and issued pursuant to the General Mandate. The Subscription of the Bonds and the allotment and issue of the Conversion Shares are not subject to further Shareholders' approval.

EQUITY FUND RAISING ACTIVITIES BY THE COMPANY IN THE LAST 12 MONTHS

Save for the Subscription, the Company has not conducted any equity fund raising activities during the 12 months immediately preceding the date of this announcement.

FOREIGN DEBT REGISTRATION AND CSRC FILINGS

The Company will, within 15 PRC Business Days after the Issue Date, submit or cause to be submitted the registration of the Bonds with SAFE (the "**Foreign Debt Registration**") and use its best endeavours to complete the Foreign Debt Registration on or before the Registration Deadline. The Company will also submit or cause to be submitted the requisite information and documents in respect of the Bonds to the CSRC within the prescribed timeframes after the Issue Date in accordance with the CSRC Filing Rules, including the CSRC Filing Report within three PRC Business Days after the Issue Date.

APPLICATION FOR LISTING

An application will be made to the Vienna Stock Exchange for the listing of the Bonds. The Company will also make an application to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Conversion Shares to be allotted and issued upon conversion of the Bonds on the Hong Kong Stock Exchange.

Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. In addition, the Subscription Agreement may be terminated in certain circumstances.

As the transactions envisaged under the Subscription Agreement may or may not be completed, the Bonds may or may not be issued or listed and/or the Conversion Shares may or may not be issued or listed, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

"Affiliated Holders"	means, with respect to any specified natural person, any company, partnership, trust, foundation or other entity or investment vehicle for which such specified natural person retains sole voting and dispositive power with respect to the ordinary shares, as applicable, held by such company, partnership, trust, foundation or other entity or investment vehicle, and the trustees, legal representatives, beneficiaries and/or beneficial owners, but solely in such capacity, of such company, partnership, trust, foundation or other entity or investment vehicle
"Additional Tax Amounts"	means the additional amounts which may be payable by the Company in respect of certain deductions or withholdings for PRC tax pursuant to the Terms and Conditions
"Alternative Stock Exchange"	means, at any time, in the case of the H Shares, if they are not at that time listed and traded on the Hong Kong Stock Exchange, such other internationally recognised stock exchange which is the principal stock exchange or securities market on which such H Shares are then listed or quoted or dealt in

"Agency Agreement"	means the paying, conversion and transfer agency agreement between the Company, DB Trustees (Hong Kong) Limited as Trustee, Deutsche Bank AG, Hong Kong Branch as principal paying agent, principal conversion agent, principal transfer agent and registrar, and the other paying agents, transfer agents and conversion agents appointed under it, to be dated on or about the Issue Date
"Board"	means the board of Directors of the Company
"Bondholder(s)"	means holder(s) of the Bond(s) from time to time
"Bonds"	means US$100 million zero coupon convertible bonds due 2027 convertible at the option of the holder thereof into fully paid ordinary H Shares of the Company of par value of RMB1.00 each at the initial Conversion Price of HK$54.08 per H Share
"Book Closure Period"	means a period (commencing on or before the final day of the Conversion Period) in which the register of shareholders of the Company is closed generally or for the purpose of establishing entitlement to any distribution or other rights attaching to the Shares
"Change of Control"	means (a) the Major Shareholders, collectively, together with any voting rights Controlled directly or indirectly by the Major Shareholders, including through any voting proxy arrangement and/or acting-in-concert agreement, ceasing to be the single largest holder of voting rights in the Company; (b) other than the Major Shareholders, any person or persons, acting together, acquiring Control of the Company if such person or persons does not or do not have, and would not be deemed to have, Control of the Company on the Issue Date; or (c) the Company consolidating with or merging into or selling or transferring all or substantially all of its assets to any other person, unless the transaction will not result in an event described in paragraph (b) in respect of the Company or the successor entity. "Control" means the acquisition or control of more than 50% of the voting rights of the Company's issued share capital or the right to appoint and/or remove all or a majority of the members of its board or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise, and the terms "Controlling" and "Controlled" shall have meanings correlative to the foregoing

"Closing Date"	means 4 August 2026, or such later date, not being later than 14 days thereafter, as the Company and the Managers may agree
"Company"	means Dekon Food and Agriculture Group (四川德康農牧食品集團股份有限公司), a joint stock limited company incorporated under the laws of the PRC, and the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 2419)
"connected person"	has the meaning ascribed to it under the Listing Rules
"Contracts"	means the Subscription Agreement, the Trust Deed and the Agency Agreement
"Controlling Shareholders"	means Mr. Wang Degen and Dekon Holding, being the controlling shareholders of the Company within the meaning of the Listing Rules
"Conversion Price"	means the price per Conversion Share (subject to adjustments) at which the Bonds may be converted into the H Shares
"Conversion Right"	means the right of a Bondholder to convert any Bond into H Shares
"Conversion Share(s)"	means the H Share(s) to be issued upon conversion of the Bonds pursuant to the Trust Deed and the Terms and Conditions
"CSRC"	means China Securities Regulatory Commission
"CSRC Filing(s)"	means any letters, filings, correspondences, communications, documents, responses, undertakings and submissions in any form, including any amendments, supplements and/or modifications thereof, made or to be made to the CSRC, relating to or in connection with the issuance of the Bonds pursuant to the CSRC Filing Rules (including, without limitation, the CSRC Filing Report)
"CSRC Filing Report"	means the filing report of the Company in relation to the issuance of the Bonds to be submitted to the CSRC within three PRC Business Days after the Issue Date pursuant to Articles 13 and 16 of the CSRC Filing Rules

"CSRC Filing Rules"	means the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) and supporting guidelines issued by the CSRC on 17 February 2023 and became effective on 31 March 2023, as amended, supplemented or otherwise modified from time to time
"CSRC Post-Issuance Filing"	means any letters, filings, correspondences, communications, documents, responses, undertakings and submissions in any form, including any amendments, supplements and/or modifications thereof, made or to be made to the CSRC, relating to or in connection with the issuance of the Bonds pursuant to the CSRC Filing Rules and other applicable laws, regulations and requirements of the CSRC (including, without limitation, the CSRC Post-Issuance Filing Report)
"CSRC Post-Issuance Filing Report"	means the filing report of the Company in relation to the issuance of the Bonds, including any amendments, supplements and/or modifications thereof, which will be submitted to the CSRC within three PRC business days after the Closing Date pursuant to Articles 13 and 16 of the CSRC Filing Rules
"Dekon Holding"	means Sichuan Dekon Holding Group Co., Ltd. (四川德康控股集團有限公司)
"Delisting"	means when the H Shares cease to be listed or admitted to trading on the Hong Kong Stock Exchange or the Alternative Stock Exchange (as the case may be)
"Director(s)"	means the director(s) of the Company
"Domestic Share(s)"	means the ordinary shares with a par value of RMB1.00 each issued by the Company to investors within the PRC which have not been approved to be listed on the Hong Kong Stock Exchange
"Early Redemption Amount"	means an amount calculated with reference to the principal amount of the relevant Bonds generally representing for Bondholders a gross yield of 1.00% per annum (calculated on a semi-annual basis), as provided in the Terms and Conditions
"Fixed Exchange Rate"	means the fixed exchange rate of HK$7.8418 = US$1.00 used to translate the principal amount of the Bonds into HK dollars for the purpose of determining the number of H Shares to be issued upon conversion

"Group"	means the Company and its subsidiaries
"H Share(s)"	means the ordinary shares with a par value of RMB1.00 each issued by the Company which as at the Issue Date have been approved to be listed on the Hong Kong Stock Exchange and are subscribed for and traded in HK dollars
"H Share Stock Exchange Business Day"	means any day (other than a Saturday or Sunday) on which the Hong Kong Stock Exchange or the Alternative Stock Exchange (as the case may be) is open for the business of dealing in securities
"H Share Suspension in Trading"	means the suspension in trading of the H Shares for a period of 30 consecutive H Share Stock Exchange Business Days
"HK$"	means Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	means the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	means The Stock Exchange of Hong Kong Limited
"Issue Date"	means 4 August 2026
"Listing Rules"	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Lock-Up Undertaking"	means the deed of lock-up undertaking dated 24 July 2026 entered into by Mr. Wang Degen with the Company and the Managers
"Major Shareholders"	means (a) Mr. Wang Degen, the current chairman of the Board, and (b) each of the Affiliated Holders of Mr. Wang Degen (王德根先生)
"Managers"	means Nomura International (Hong Kong) Limited and GF Securities (Hong Kong) Brokerage Limited
"Maturity Date"	means 2 August 2027, being the date on which the Bonds will mature in accordance with the Terms and Conditions
"No Registration Event"	means the Release Condition not having been complied with on or before the Registration Deadline

"Ordinary Shares"	means the H Shares, the Domestic Shares and any other fully-paid and non-assessable ordinary shares of any class or classes of the Company authorised after the Issue Date which have no preference in respect of dividends or amounts payable on in the event of any voluntary or involuntary liquidation or dissolution
"PRC"	means the People's Republic of China, excluding for the purpose of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan
"PRC Business Days"	means a day (other than a Saturday or Sunday) on which commercial banks are open for general business in Beijing
"Principal Agent"	means Deutsche Bank AG, Hong Kong Branch, in its capacities as principal paying agent, principal conversion agent and principal transfer agent in respect of the Bonds, and includes any additional or successor principal agent appointed from time to time in connection with the Bonds
"Registration Deadline"	means the day falling 180 calendar days after the Issue Date
"Release Condition"	means the receipt by the Trustee of (i) a certificate signed by an authorised signatory of the Company confirming completion of the Foreign Debt Registration (as defined below) and (ii) a certified copy of the relevant SAFE registration certificate and other documents (if any) evidencing completion of the Foreign Debt Registration
"Relevant Indebtedness"	means any present or future indebtedness (whether being principal, premium, interest or other amounts) incurred outside of the PRC for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which are for the time being or are capable of being quoted, listed or ordinarily dealt in or traded on any stock exchange, over-the-counter or other securities market (which, for the avoidance of doubt, does not include bilateral loans, syndicated loans or club deal loans)

"Restricted Transfer Period"	means each of the following periods: (i) the seven-day period ending on (and including) any date for payment of any amount pursuant to the Terms and Conditions (including any redemption date); (ii) any period after a conversion notice has been delivered with respect to such Bond; and (iii) any period after a relevant event put exercise notice has been deposited in respect of such Bond
"RMB"	means renminbi, the lawful currency of the PRC
"SAFE"	means the State Administration of Foreign Exchange of the PRC or its local branch
"SFO"	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shareholders"	means the holder(s) of the Share(s)
"Subscription"	means the issue and subscription of the Bonds pursuant to the Subscription Agreement
"Subscription Agreement"	means the subscription agreement dated 24 July 2026 entered into between the Company and the Managers in connection with the issue and subscription of the Bonds
"Tax Redemption Date"	means the date specified in the relevant redemption notice given by the Company for the redemption of all, but not some only, of the outstanding Bonds for taxation reasons
"Terms and Conditions"	means the terms and conditions of the Bonds
"Treasury H Shares"	means the H Shares repurchased and held by the Company as treasury shares within the meaning of the Listing Rules
"Treasury Shares"	means Shares repurchased and held by the Company in treasury
"Trust Deed"	means the trust deed constituting the Bonds to be entered into between the Company and DB Trustees (Hong Kong) Limited on or around the Issue Date
"Trustee"	means DB Trustees (Hong Kong) Limited
"United States"	means the United States of America

"US$"	means United States dollar(s), the lawful currency of the United States
"%"	means percentage

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, 24 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.