德康集团
DEKON GROUP

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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

Key financial data

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Revenue	**10,088,739**	11,695,764
Total (loss)/profit	**(1,303,823)**	1,226,689
Income tax	**(1,401)**	(5)
Net (loss)/profit	**(1,305,224)**	1,226,684
Attributable to:		
Net (loss)/profit attributable to shareholders of the Company	**(1,158,779)**	1,174,125
Net (loss)/profit attributable to non-controlling interests	**(146,445)**	52,559
Other comprehensive income	**(211)**	(107)
Total comprehensive income	**(1,305,435)**	1,226,577
Earnings per share[1]		
Basic and diluted *(RMB)*	**(3.00)**	3.02
Dividend per share *(RMB)*	**—**	—

Note:

(1) The earnings per share represents the consolidated net (loss)/profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding of the Company.

The board (the "**Board**") of directors (the "**Directors**") of Dekon Food and Agriculture Group (the "**Company**") is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively, the "**Group**") for the first six months ended 30 June 2026 (the "**Reporting Period**"), together with the unaudited figures for the six months ended 30 June 2025 for comparison. The financial information of the Group for the six months ended 30 June 2025 as set out in this results announcement is based on the unaudited consolidated financial statements prepared in accordance with the China Accounting Standards for Business Enterprises, the Hong Kong Companies Ordinance and the disclosure requirements of the Listing Rules. Unless otherwise defined, capitalised terms used herein shall have the same meanings as given to them in the prospectus dated 27 November 2023 issued by the Company (the "**Prospectus**").

CONSOLIDATED INCOME STATEMENT

For the period ended 30 June 2026

(Expressed in RMB)

	Notes	**For the period ended 30 June 2026 (Unaudited)**	For the period ended 30 June 2025 (Unaudited)
Revenue	4	**10,088,738,827.06**	11,695,764,006.61
Less: Cost of sales	4	**10,729,134,240.91**	9,552,880,909.04
Taxes and surcharges		**19,378,086.40**	17,963,932.83
Selling expenses		**49,593,701.03**	45,402,351.25
Administrative expenses		**579,066,357.52**	660,497,851.36
Research and development expenses		**114,977,348.41**	120,700,823.40
Finance costs		**115,890,662.76**	139,600,098.62
Add: Other income		**54,373,655.05**	47,995,203.32
Investment income	5	**496,663,930.13**	68,192,240.27
Losses from changes in fair value	6	**(92,248,913.02)**	(37,974,098.78)
Credit impairment (losses)/reversal		**(194,420.41)**	2,531,341.72
Asset impairment losses	7	**(196,691,097.77)**	(2,241,683.82)
Gains from asset disposals		**633,009.07**	444,134.62
Operating (loss)/profit		**(1,256,765,406.92)**	1,237,665,177.44
Add: Non-operating income		**5,516,217.08**	3,646,086.94
Less: Non-operating expenses		**52,574,012.49**	14,622,462.59
(Loss)/profit before income tax		**(1,303,823,202.33)**	1,226,688,801.79
Less: Income tax expenses	8	**1,401,487.85**	4,753.26
Net (loss)/profit		**(1,305,224,690.18)**	1,226,684,048.53

	Notes	**For the period ended 30 June 2026 (Unaudited)**	For the period ended 30 June 2025 (Unaudited)
Classified by ownership:			
(1) Net (loss)/profit attributable to shareholders of the parent company		**(1,158,779,353.45)**	1,174,124,899.83
(2) Net (loss)/profit attributable to non-controlling interests		**(146,445,336.73)**	52,559,148.70
Other comprehensive income, net of tax			
(1) Other comprehensive income attributable to shareholders of the parent company, net of tax		**(211,108.96)**	(106,911.39)
1. Other comprehensive income to be reclassified to profit or loss		**(211,108.96)**	(106,911.39)
(1) Exchange differences on translation of foreign currency financial statements		**(211,108.96)**	(106,911.39)
(2) Other comprehensive income attributable to non-controlling interests, net of tax		**—**	—
Total comprehensive income		**(1,305,435,799.14)**	1,226,577,137.14
(1) Total comprehensive income attributable to shareholders of the parent company		**(1,158,990,462.41)**	1,174,017,988.44
(2) Total comprehensive income attributable to non-controlling interests		**(146,445,336.73)**	52,559,148.70
Earnings per share:			
(1) Basic earnings per share	9	**(3.00)**	3.02
(2) Diluted earnings per share	9	**(3.00)**	3.02

CONSOLIDATED BALANCE SHEETS
as at 30 June 2026
(Expressed in RMB)

	Note	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
Assets			
Current assets:			
Cash at bank and on hand		**5,097,702,760.28**	4,589,389,894.60
Financial assets held for trading		—	151,208,630.14
Derivative financial assets		**30,676,640.00**	51,970,039.34
Trade receivables	10	**45,835,498.51**	44,019,055.29
Prepayments		**490,712,404.97**	234,391,549.69
Other receivables		**200,112,416.70**	158,672,749.88
Inventories		**6,503,427,911.28**	6,178,111,170.60
Other current assets		**133,502,256.75**	120,533,401.47
Total current assets		**12,501,969,888.49**	11,528,296,491.01
Non-current assets:			
Long-term equity investments		**32,779,144.66**	33,303,813.83
Fixed assets		**6,911,170,589.55**	7,047,533,438.27
Construction in progress		**719,579,876.75**	632,184,957.67
Productive biological assets		**1,680,651,191.13**	1,484,116,469.79
Right-of-use assets		**2,229,339,114.66**	2,240,615,346.05
Intangible assets		**382,118,998.44**	282,022,348.35
Goodwill		**14,729,743.72**	14,729,743.72
Long-term deferred expenses		**57,405,592.25**	63,580,813.83
Deferred tax assets		**322,437.47**	18,967.40
Other non-current assets		**141,929,892.92**	128,074,640.13
Total non-current assets		**12,170,026,581.55**	11,926,180,539.04
Total assets		**24,671,996,470.04**	23,454,477,030.05

	Note	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Liabilities and shareholders' equity			
Current liabilities:			
Short-term borrowings		**2,068,110,000.00**	480,000,000.00
Derivative financial liabilities		**90,682,800.39**	23,442,923.01
Trade payables	11	**2,799,462,613.02**	2,507,237,897.07
Contract liabilities		**138,841,114.11**	105,034,041.70
Employee benefits payable		**249,865,630.36**	347,541,521.89
Taxes payable		**11,284,478.39**	11,210,979.23
Other payables		**5,184,153,152.60**	4,370,889,026.20
Non-current liabilities due within one year		**657,588,280.29**	503,822,772.11
Total current liabilities		**11,199,988,069.16**	8,349,179,161.21
Non-current liabilities:			
Long-term borrowings		**2,384,140,187.78**	2,585,692,361.13
Lease liabilities		**2,810,137,727.68**	2,757,096,229.15
Long-term payables		**—**	9,376,579.27
Deferred income		**800,294,934.15**	825,521,354.99
Total non-current liabilities		**5,994,572,849.61**	6,177,686,524.54
Total liabilities		**17,194,560,918.77**	14,526,865,685.75
Shareholders' equity:			
Share capital	12	**388,875,636.00**	388,875,636.00
Capital reserve		**2,231,264,454.24**	2,245,986,442.45
Less: Treasury shares	13	**219,354,194.93**	108,110,464.50
Other comprehensive income		**(380,411.64)**	(169,302.68)
Surplus reserve		**194,437,818.00**	162,910,245.33
Retained earnings		**4,974,973,151.72**	6,165,280,077.84
Total equity attributable to shareholders of the parent company		**7,569,816,453.39**	8,854,772,634.44
Non-controlling interests		**(92,380,902.12)**	72,838,709.86
Total shareholders' equity		**7,477,435,551.27**	8,927,611,344.30
Total liabilities and shareholders' equity		**24,671,996,470.04**	23,454,477,030.05

NOTES TO THE INTERIM FINANCIAL INFORMATION
(Expressed in RMB)

1. BASIC INFORMATION OF THE COMPANY

The Company is a joint stock company established in Chengdu, Sichuan Province, with its headquarters located in Chengdu, Sichuan Province. The Company's parent company and ultimate holding company is 四川德康控股集團有限公司 (Sichuan Dekon Holding Group Co., Ltd.), and its ultimate actual controller is Mr. Wang Degen.

The Company and its subsidiaries are principally engaged in the breeding and sale of market hogs, breeding pigs, market piglets and boar semen; breeding and sale of yellow-feathered broilers, chicks and eggs; and providing ancillary products such as fresh meat, feed ingredients and others.

2. BASIS OF PREPARATION

The interim financial statements have been prepared in accordance with Accounting Standards for Business Enterprises 32 — Interim Financial Reporting issued by the Ministry of Finance of the People's Republic of China (the "**MOF**").

In addition, certain matters set out in these financial statements have been disclosed in accordance with requirements of the Companies Ordinance of Hong Kong, which also comply with the applicable disclosure requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The financial statements include selected explanatory notes, which are provided for easy understanding of the Group's important events and transactions leading to its financial position and change of results of operations since the financial statements for 2025. These selected notes do not include all information and disclosures required under the Accounting Standards for Business Enterprises for a full set of financial statements. As such, these statements shall be read in conjunction with the financial statements of the Group for 2025.

The interim financial information has been prepared in accordance with the same accounting policies adopted in the annual financial statements for 2025, except for the accounting policy changes that are expected to be reflected in the annual financial statements for 2026. Details of any changes in accounting policies are set out in note 3.

3. CHANGES OF MAJOR ACCOUNTING POLICIES

During the period from 1 January 2026 to 30 June 2026, the Group has adopted the relevant regulations and guidelines of the Accounting Standards for Enterprises issued by the MOF in recent years, mainly including:

— the relevant provisions of the Interpretation of the Accounting Standards for Enterprises No. 19 (Cai Kuai [2025] No. 32);

— the relevant provisions of the Interpretation of the Accounting Standards for Enterprises No. 20 (Cai Kuai [2026] No. 7);

The adoption of the above regulations has not had a significant impact on the financial condition and operating results of the Group.

4. OPERATING REVENUE AND OPERATING COST

Item	For the period ended 30 June 2026 Revenue	Cost	For the period ended 30 June 2025 Revenue	Cost
Principal business	**10,068,491,722.46**	**10,720,420,004.98**	11,676,597,207.17	9,549,908,110.10
Other businesses	**20,247,104.60**	**8,714,235.93**	19,166,799.44	2,972,798.94
Total	**10,088,738,827.06**	**10,729,134,240.91**	11,695,764,006.61	9,552,880,909.04
Including: Revenue arising from contracts	**10,088,738,827.06**	**10,729,134,240.91**	11,695,764,006.61	9,552,880,909.04

5. INVESTMENT INCOME

	For the period ended 30 June 2026	For the period ended 30 June 2025
Long-term equity investment loss accounted for under the equity method	**(9,471,185.98)**	(6,679,196.76)
Investment income from disposal of long-term equity investment	**191,235.99**	—
Investment income from wealth management products	**6,089,426.85**	10,325,028.19
Investment income from disposal of derivative financial assets	**499,854,453.27**	64,546,408.84
Total	**496,663,930.13**	68,192,240.27

6. LOSS FROM CHANGES IN FAIR VALUE

	For the period ended 30 June 2026	For the period ended 30 June 2025
Financial assets held for trading	**—**	(3,078,455.18)
Derivative financial instruments	**92,248,913.02**	41,052,553.96
Total	**92,248,913.02**	37,974,098.78

7. ASSET IMPAIRMENT LOSSES

	For the period ended 30 June 2026	For the period ended 30 June 2025
Write-down of inventories	**189,638,416.97**	2,241,683.82
Other impairment losses	**7,052,680.80**	—
Total	**196,691,097.77**	2,241,683.82

8. INCOME TAX EXPENSES

	For the period ended 30 June 2026	For the period ended 30 June 2025
Income tax for the period	**1,704,957.92**	173,628.53
Changes in deferred income tax	**(303,470.07)**	(168,875.27)
Total	**1,401,487.85**	4,753.26

9. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the consolidated net (loss)/profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding of the Company:

	For the period ended 30 June 2026	For the period ended 30 June 2025
Consolidated net (loss)/profit attributable to ordinary shareholders of the Company	**(1,158,779,353.45)**	1,174,124,899.83
Weighted average number of ordinary shares outstanding of the Company	**386,063,004.51**	388,875,636.00
Basic earnings per share (RMB/share)	**(3.00)**	3.02

For the period ended 30 June 2026, the Group had no potential dilutive ordinary shares, and therefore diluted earnings per share is the same as basic earnings per share.

10. TRADE RECEIVABLES

	30 June 2026	31 December 2025
Receivables from related companies	**3,035,819.75**	3,504,954.78
Receivables from third-party companies	**43,822,803.39**	41,241,759.24
Subtotal	**46,858,623.14**	44,746,714.02
Less: Provision for bad debts	**1,023,124.63**	727,658.73
Total	**45,835,498.51**	44,019,055.29

The analysis of trade receivables by ageing is as follows:

	30 June 2026	31 December 2025
Within 6 months (including 6 months)	**45,208,048.53**	43,279,946.98
7 months to 1 year (including 1 year)	**464,380.01**	243,335.43
1 to 2 years (including 2 years)	**35,207.46**	221,515.31
2 to 3 years (including 3 years)	**640,708.30**	764,747.23
Over 3 years	**510,278.84**	237,169.07
Subtotal	**46,858,623.14**	44,746,714.02
Less: Provision for bad debts	**1,023,124.63**	727,658.73
Total	**45,835,498.51**	44,019,055.29

11. TRADE PAYABLES

	30 June 2026	31 December 2025
Purchase payments	**1,479,486,836.62**	1,329,957,864.77
Farming fees	**1,299,276,793.76**	1,165,309,292.17
Others	**20,698,982.64**	11,970,740.13
Total	**2,799,462,613.02**	2,507,237,897.07

Trade payables are presented by age as follows:

	30 June 2026	31 December 2025
Within 1 year (including 1 year)	**2,763,975,265.26**	2,481,287,994.03
1 to 2 years (including 2 years)	**21,218,975.94**	12,454,715.57
2 to 3 years (including 3 years)	**5,825,475.43**	6,616,824.18
Over 3 years	**8,442,896.39**	6,878,363.29
Total	**2,799,462,613.02**	2,507,237,897.07

12. SHARE CAPITAL

	30 June 2026	31 December 2025
Total number of shares	**388,875,636**	388,875,636

13. TREASURY SHARES

	Balance as at 1 January 2026	**Increase during the period**	**Decrease during the period**	**Balance as at 30 June 2026**
Repurchased shares (H Shares)	**108,110,464.50**	111,243,730.43	—	219,354,194.93

During the period, the Group repurchased a total of 1,890,200 shares outstanding at market prices, the repurchased shares were primarily used for employee stock ownership plans or equity incentives, or for other purposes permitted by laws and administrative regulations.

14. DIVIDENDS

No cash profits were declared or paid to ordinary shareholders during the period.

MANAGEMENT DISCUSSION AND ANALYSIS

I. Company Profile

Company Introduction

The Company is a livestock and poultry enterprise in China, deeply engaged in the breeding and raising of pigs and yellow-feathered broilers. The Company was listed on the main board of the Stock Exchange on 6 December 2023 (stock code: 2419).

Our business consists mainly of three segments, namely pig, poultry and ancillary products, with the pig and poultry segments being our core business. Products of our pig segment include market hogs, breeding pigs, market piglets and boar semen. Products of our poultry segment mainly include yellow-feathered broilers, chicks and eggs. Products of our ancillary products segment mainly include fresh meat, feed ingredients and others. The Company carries out breeding and farming of pigs and yellow-feathered broilers relying on self-owned bases. Upholding the long-term development philosophy of supporting the development of the agricultural industry, we continue to strengthen collaboration with farm owners in pig and poultry farming based on our family farm models. We adopt a vertically integrated business model across the full industrial chain with business covering the full process from feed production, breeding, multiplication, farming to sales of pigs and yellow-feathered broilers, achieving efficient control over food quality and safety.

During the Reporting Period, there were no significant changes in our principal business.

Segments Introduction

Pig Segment

Our pig products are mainly market hogs, a small number of market piglets, breeding pigs, and boar semen. Our pig farming is conducted under the Traditional Family Farms, New-Type Family Farms (hereinafter referred to collectively as "**Family Farms**") and Self-operated Farm models, and is primarily operated under the Family Farms model. The traditional family farm model is a model under which farm owners fatten our weaned piglets through cooperation; the New-Type Family Farm model is a model under which farm owners are responsible for raising breeding sows, producing weaned piglets, and fattening; the Self-operated Farm model is a model under which the Company builds or leases standard farms by itself and employs personnel to carry out scaled breeding, fattening and other related processes.

Poultry Segment

The main products of our poultry segment are yellow-feathered broilers, chicks and eggs. For yellow-feathered broiler farming, we adopt the Poultry Family Farm model and Poultry Farming Base model. Poultry Family Farm model is a model under which farm owners provide the land and facilities and raise the yellow-feathered broilers according to our standards, while we centrally provide chicks, feed, medicines and technical support; Poultry Farming Base model is a model under which we build farming facilities by ourselves and introduce farm owners to conduct operations while the farm owners raise the yellow-feathered broilers.

Ancillary Products Segment

Our ancillary products segment consists of pig slaughtering and fresh meat sales, as well as the sale of a small number of feed ingredients and other derivative products. The slaughtered pig products are mainly supplied to butchers in farmers' markets, distributors of school meals, fresh supermarket distributors and food processing factories.

II. Market Overview

Pig Industry

In the first half of 2026, China's hog industry remained at the bottom of the cycle. Market supply was ample, and hog prices, after plunging sharply, fluctuated at low levels through three phases of bottoming out, testing the trough, and stabilizing. The industry as a whole suffered operating losses.

From the supply side, according to data from the National Bureau of Statistics, the cumulative number of hogs marketed nationwide in the first half reached 372.46 million head, up 1.7% year-on-year. At the end of the second quarter, the hog inventory stood at 424.91 million head, a slight increase of 0.1% year-on-year. The breeding sow inventory declined to 37.8 million head, down 6.5% year-on-year, which was 300,000 head above the reasonable retention level of 37.5 million head specified in the revised regulatory plan (equivalent to 100.8% of the retention level), indicating that basic production capacity had undergone a reasonable contraction. On the consumption side, demand remained stable, and with frozen product inventories still high, the low hog prices only spurred a modest recovery in pork consumption. In the first half of the year, national pork production reached 31.19 million tons, a year-on-year increase of 3.3%. On the policy front, with a core focus on price stabilisation, the government rolled out the Comprehensive Regulation Implementation Plan for Hog Production Capacity (2026 Revision), which lowered the benchmark for breeding sow retention and tightened the production capacity warning thresholds. Concurrently, measures such as regular reserve procurement, strict curbs on secondary fattening, standardised slaughter weights, and regulated sow capacity management were implemented to guide orderly capacity reduction and alleviate the pressure of severe losses.

These regulatory measures have effectively eased the industry's severe loss burden. Farming enterprises with ample cash flows and asset-light operations have demonstrated distinct counter-cyclical advantages and stronger operational resilience to weather the industry cycle, thereby facilitating the smooth progress of this round of production capacity structural optimisation and adjustment.

Poultry Industry

In the first half of 2026, the yellow-feathered broiler industry experienced phased divergences, characterised overall by a "weak recovery and high volatility" pattern. In the first quarter, supported by pre-festival catering and household consumption demand, and coupled with the industry's prolonged losses in 2025 that drove concentrated capacity reduction of parent-stock breeders, the supply of commercial broilers tightened temporarily. Against this backdrop, both live chicken and chick prices remained at relatively good levels, and farming margins stayed stable. However, as earlier restocking capacity gradually came on stream, the volume of marketed broilers still posted year-on-year growth. Combined with weak demand in the second quarter off-season, the market again faced mounting supply pressure, prices fell back under pressure, and the supply-demand rebalancing remained incomplete. The industry as a whole is still in a phase of capacity adjustment and cyclical trough-building. The market structure continued to evolve, with trends toward more intensive and standardised development further deepening. Small and medium-scale farmers accelerated their exit from the market, while leading enterprises demonstrated increasingly pronounced competitive advantages in cost control, full-industry-chain layout, and brand-oriented operations. The "strong-get-stronger" industry pattern continued to solidify, and the market share of leading players is expected to steadily increase.

Slaughtering and Meat Processing Industry

In the first half of 2026, the slaughtering industry was at a critical phase of industrial upgrading, with market demand steadily expanding. Ample upstream hog supply kept ex-factory prices of fresh meat under pressure, while leading enterprises continued to expand their slaughtering capacity footprint. The industry accelerated its transformation toward large-scale, intelligent, and standardized operations. Tighter environmental and food safety regulations have raised industry entry barriers, creating a divergent landscape in which overall industry capacity remains abundant, while capacity utilization at leading integrated players continues to rise steadily. Upstream breeding leaders have persistently extended their presence downstream into slaughtering and further processing, further amplifying the comprehensive competitive advantages of full-industry-chain integrated operators.

III. Results of Operation

During the Reporting Period, the Company generated an aggregate of revenue of RMB10,088.7 million, representing a year-on-year decrease of 13.7%.

(I) Pig Segment

During the Reporting Period, the pig segment remained the Company's largest revenue source, generating sales revenue of RMB7,829.2 million, representing a year-on-year decrease of 20.7%. The average selling price of commodity hogs was RMB10.4 per kg, representing a year-on-year decrease of 30.9%. The earnings pressure during the Reporting Period was primarily attributable to persistently depressed hog market conditions, which caused a sharp year-on-year decline in commercial hog selling prices.

In response to the market downturn, the Company adhered to technological innovation as its core driving force, combined with lean operations and other measures, to continuously achieve efficiency gains and cost reductions. The per-head loss was narrower than that of most industry peers, highlighting the Company's growing anti-cyclical operational resilience. Our specific measures are as follows:

1. Deepening Innovation in Farming Technologies to Build a Core Cost Reduction Edge

The Company focuses on three key technology areas: genetic breeding, feed nutrition, and disease prevention and control. We continue to intensify R&D implementation and technology commercialisation, and through technological innovation, we aim to improve quality, enhance efficiency, control costs, and reduce consumption throughout the entire farming process, thereby establishing a competitive edge that differentiates us from the industry.

1.1 Independent breeding technology iteration, achieving breakthroughs in breeding stock performance

During the Reporting Period, the Company deepened its independent breeding innovation for hogs. Leveraging its self-developed "Deyu Cloud" intelligent breeding platform and a comprehensive breeding-stock disease purification program, we continuously iterated genomic selection technologies to progressively optimise litter performance, growth rate, and feed conversion efficiency. Key reproductive metrics such as the number of piglets born per litter and the number of weaned piglets per litter improved steadily, reducing unit piglet rearing losses at the source and fundamentally lowering fixed farming costs. The "Deyu Cloud" platform of the Company now hosts over 5 million breeding records, with genetic evaluation accuracy improved by 40%. Concurrently, the Company successfully developed new indigenous superior breeding pig lines and established a standardised "nucleus farm — multiplier farm — cooperative farmer" breeding and multiplication system, a model that can be rapidly scaled and replicated.

In July 2026, the project "Breeding Technology, Core Breeding Stock Development, and Application of Huaxi Pigs", in which the Company played a key role, was awarded the First Prize of the National Science and Technology Progress Award. This prestigious recognition at the national level attests to the Company's R&D capabilities and independent breeding technology system, further reinforcing our industry-leading core competitiveness in breeding stock.

1.2 Dynamic precision nutrition management, continuously optimising feed cost structure

The Company has established a comprehensive dynamic feed nutrition management technology system. Leveraging a specialised feed ingredient database and tailored to the distinct physiological and nutritional requirements of pigs at different growth stages, we have developed customised, phased, and precise feeding formulas, fundamentally replacing traditional extensive feeding practices. In sow farming, we dynamically adjust feeding plans through a data-driven body condition scoring system, precisely matching sows' nutritional needs and effectively reducing feed wastage, achieving annual feed savings of nearly 50 kg per sow. Concurrently, we apply a range of advanced technologies, including ingredient value-based procurement, high-efficiency enzyme preparations, low-protein diets, and low-corn/low-soybean alternative diets, to establish a diversified feed cost-reduction system. In the face of significant price fluctuations in bulk feed ingredients, we can flexibly adjust formula structures and procurement strategies to effectively hedge against cost pressures from rising raw material prices, ensuring stable and manageable feed costs.

1.3 Full-scale Implementation of Disease Purification, Cementing Biosecurity Leadership

During the Reporting Period, the Company innovatively implemented a collaborative selection approach that integrates intelligent performance testing with disease purification, simultaneously addressing reproductive performance and herd health resilience. Leveraging our mature dual-negative purification system, we have implemented a management model that deeply integrates breeding with disease prevention, continuously strengthening our biosecurity barrier. All core farms achieved dual-negative PRRS purification status, with core and multiplier farms achieving disease-free status for classical swine fever, pseudorabies, and foot-and-mouth disease, successfully balancing high reproductive performance with disease resistance. As of the end of the Reporting Period, the Company operates a cumulative total of 11 disease-purified farms, ranking first in the industry, and has established 17 national-level disease-free zones. Our biosecurity scale, construction standards, and herd health levels remain firmly at the industry's leading tier, providing a solid biosecurity foundation for the sustained, steady and high-quality development of our pig segment.

2. Full-Chain Lean Operations Efficiency Enhancement, Achieving Cost-Leadership Advantages

Leveraging our mature technological innovation system, the Company continues to deepen lean management across the entire farming process, with a focused approach on targeted improvements in efficiency improvement and cost reduction at the weaning stage, and consumption reduction and efficiency improvement at the fattening stage. We have fully integrated the pathway from technological implementation to efficiency realisation, achieving upgrading of both production efficiency and cost management.

2.1 Deepening fine-management in production, comprehensively reducing farming fixed costs

The Company focuses on the entire farming production process, with core priorities of "reducing process waste, improving breeding performance, and minimising farming losses". We have comprehensively advanced fine-management controls throughout the farrowing-weaning and fattening stages, achieving quality improvement and cost reduction across multiple dimensions, including labour efficiency, material consumption, and production techniques. On the reproductive front, the Company continuously improves breeding performance leveraging independent breeding technology, supported by precision feeding and dynamic biosecurity systems, steadily enhanced herd reproductive performance and piglet survival rates, while targeting cost reductions at the weaning stage. On the fattening front, we deepen lean management around two key metrics: feed-to-meat ratio and marketable rate. Through precision nutrition and dynamic formulations, intelligent feeding equipment, full-process standardised controls, routine health inspections, and full-cycle disease prevention mechanisms, we have significantly reduced ineffective losses such as mortality, morbidity, and growth retardation.

During the Reporting Period, production-side efficiency improvements were notable, with metrics such as the per-head weaning cost/the fattening marketability rate have all shown a marked improvement compared with the same period last year.

2.2 Strengthening multi-dimensional revenue enhancement and cost control, building a full-chain cost-reduction system

Building on production-side quality improvements and consumption reductions, we continue to deepen refined period-expense management and feed procurement cost optimisation, and have constructed a comprehensive cost-reduction framework. On expense control, we continuously optimise labour costs, maintenance expenditures, office and logistics support expenses, and strictly curb unproductive expense growth. Through process streamlining, job efficiency upgrades, regional resource consolidation, and centralised procurement synergies, we have driven sustained optimisation of administrative, selling, and financial expenses, with the overall period-expense ratio steadily declining. On feed cost control, leveraging our large-scale procurement advantages and dynamic raw material value assessment systems, we flexibly adjust procurement strategies and formula structures to effectively hedge against bulk feed ingredient price volatility. Combined with the implementation of low-protein and low-soybean formula technologies, we have established a multi-dimensional cost-reduction framework encompassing "production cost reduction + procurement cost control + management cost saving".

3. Comprehensively Accelerating Digital and Intelligent Transformation, Hedging Cyclical Operating Risks Leveraging Diversified Tools

During the Reporting Period, the Company comprehensively restructured its farming management system through digital and intelligent technologies, complemented by financial hedging instruments to smooth cyclical fluctuations and ensure operational stability across all fronts. On the farming management side, we accelerated the construction of smart pig farms and iterative IT system upgrades. Leveraging digital tools such as intelligent breeding platforms, automatic feeding equipment, and AI-enabled inspection robots, we are progressively piloting data-driven processes across breeding, feeding, biosecurity, and on-site management, aiming to transition farming management from traditional "experience-driven" to "data-driven decision-making".

On the risk-hedging front, the Company continued to flexibly utilise financial derivative instruments such as hog futures, establishing regular and standardised hedging mechanisms to effectively hedge against cyclical price volatility and smooth the annual profit curve.

(II) Poultry Segment

During the Reporting Period, the Company's poultry segment generated revenue of RMB1,274.8 million, representing a year-on-year decrease of 4.5%. The average selling price was RMB14.7/kg, representing a year-on-year increase of 13.8%, with overall profitability of the segment.

In the first half of 2026, the yellow-feathered broiler industry showed an overall improving trend. In the face of a complex market environment, the Company adhered to a strategic focus on "quality over quantity" and proactively refined its operating strategies through the following measures: First, we adjusted our product mix, dynamically optimised product portfolios and cost allocations, and enhanced the competitiveness of mass-market products while maintaining our premium pricing power in the high-end segment. Second, we deepened full-chain efficiency improvement and cost reduction through refined operations and upgraded production management, rigorously controlling losses and expenses at every stage, thereby further expanding our profit margins. Third, we continued to strengthen our core breeding technologies and improve high-quality breeds, reinforcing our quality moat and consolidating our differentiated competitive edge in the high-end market. Thanks to the synergistic implementation of these initiatives, despite a deliberate contraction in sales volume in the first half, the poultry segment's average price recorded a significant year-on-year increase. Our product mix and profitability continued to improve, and operating quality steadily progressed.

(III) Ancillary Products Segment

During the Reporting Period, revenue from the ancillary products segment amounted to RMB984.7 million, representing a year-on-year increase of 104.7%; the slaughtering volume amounted to 687 thousand heads, representing a year-on-year increase of 176.6%, primarily driven by growth in the slaughtering business.

In the first half of 2026, the slaughtering business focused its operations on improving quality and reducing losses. On the one hand, we implemented a demand-driven production model to ensure alignment between production and sales, optimised the product cutting mix, reduced the output of low-value items, and enhanced the overall gross margin. On the other hand, we continued to deepen lean management practices, implementing refined controls over production costs, labour efficiency, and energy consumption, while benchmarking against industry standards to reduce various expenses. These multi-pronged initiatives have led to a sustained narrowing of losses in the segment, steadily advancing towards the break-even point. The slaughtering and fresh meat business is still in a phase of strategic deepening. As a core link connecting upstream and downstream operations, its synergistic value across the entire industry chain continues to emerge, supported by the orderly progression of intelligent retrofitting and supporting further-processing projects.

IV. Financial Review

The Group has adopted the CASBE for the preparation of its financial statements starting from the year ended 31 December 2025. Accordingly, these interim financial statements are also prepared in accordance with the CASBE. To maintain consistency with the presentation basis of the current period, the comparative financial information for the same period in 2025, which was originally prepared and disclosed in accordance with International Financial Reporting Standards, has been restated in accordance with CASBE. After restatement, the net profit for the same period in 2025 amounted to RMB1,226.7 million under the CASBE, and RMB1,360.5 million under the International Financial Reporting Standards. The above discrepancies are mainly attributable to the differences between the CASBE and the International Financial Reporting Standards in respect of the fair value measurement of biological assets and the associated accounting treatments.

For the background of the Group's adoption of the CASBE and the impact of the CASBE and International Financial Reporting Standards on the financial information of the Group for the year ended 31 December 2025, please refer to the Company's 2025 annual report.

Revenue

In the first half of 2026, our revenue was RMB10,088.7 million, representing a decrease of 13.7% as compared with RMB11,695.8 million in the first half of 2025. It was mainly attributable to the significant decrease in the selling price of pigs.

Cost of Sales

In the first half of 2026, our cost of sales was RMB10,729.1 million, representing an increase of 12.3% as compared with RMB9,552.9 million in the first half of 2025. It was mainly due to an increase in the scale of hog operations.

Gross Profit Margin

Our overall gross profit margin decreased from 18.3% in the first half of 2025 to –6.4% in the first half of 2026. It was mainly attributable to sluggish hog selling price and significant losses in the industry.

Selling Expenses

In the first half of 2026, our selling expenses amounted to RMB49.6 million, representing an increase of 9.3% as compared with RMB45.4 million in the first half of 2025. It was mainly attributable to the expansion of fresh channels and the increase in sales staff.

Administrative Expenses

In the first half of 2026, our administrative expenses amounted to RMB579.1 million, representing a decrease of 12.3% as compared with RMB660.5 million in the first half of 2025. It was mainly attributable to the severe losses in the industry and a reduction in administrative expenditures such as remuneration.

Finance Costs

In the first half of 2026, our finance costs amounted to RMB115.9 million, representing a decrease of 17.0% as compared with RMB139.6 million in the first half of 2025, mainly due to the increase in interest income from deposits.

Other Income

In the first half of 2026, our other income was RMB54.4 million, representing an increase of 13.3% as compared with RMB48.0 million in the first half of 2025. It was mainly attributable to the increase in government grants.

Investment Income

In the first half of 2026, our investment income amounted to RMB496.7 million, representing an increase of 628.3% as compared with RMB68.2 million in the first half of 2025, mainly due to gains from the closing out of hog futures positions.

Losses from Changes in Fair Value

In the first half of 2026, our losses from changes in fair value were RMB92.2 million, representing an increase of 142.6% as compared with RMB38.0 million in the first half of 2025. It was mainly attributable to the changes in floating gains and losses on hog futures as at the reporting date.

Asset impairment losses

In the first half of 2026, our asset impairment losses amounted to RMB196.7 million, representing an increase of 8,840.9% as compared with RMB2.2 million in the first half of 2025, primarily due to the provision for decline in value recognised based on the net realisable value of consumptive biological assets as a result of the persistently low hog prices.

Profit for the Reporting Period

For the reasons above, we recorded a loss of RMB1,305.2 million in the first half of 2026, as compared with a profit of RMB1,226.7 million in the first half of 2025.

Significant Investments, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

As at 30 June 2026, the Group did not hold any significant investments.

Future Plans for Material Investments or Acquisition of Capital Assets

As at 30 June 2026 and up to the date of this results announcement, the Group does not have detailed future plans for material investments or acquisition of capital assets.

Major Financial Ratios

The financial ratios of the Group as of 30 June 2026 and 30 June 2025 are set forth below:

	30 June 2026	30 June 2025
Return on equity[1]	**−17.5%**	13.8%
Return on total assets[2]	**−5.3%**	5.3%
Current ratio[3]	**1.1**	1.3
Quick ratio[4]	**0.5**	0.7
Gearing ratio[5]	**105.9%**	75.6%
Debt-to-equity ratio[6]	**44.1%**	18.6%
Interest coverage[7]	**−10.3**	9.8

Notes:

(1) Equals net profit for the period divided by the closing balance of total equity as of the balance sheet date and multiplied by 100%.

(2) Equals net profit for the period divided by the closing balance of total assets as of the balance sheet date and multiplied by 100%.

(3) Equals current assets divided by current liabilities as of the balance sheet date.

(4) Equals current assets minus inventories, then divided by current liabilities as of the balance sheet date.

(5) Equals total interest-bearing borrowings plus lease liabilities, divided by total equity and multiplied by 100% at the balance sheet date.

(6) Equals net debts divided by total equity as of the balance sheet date and multiplied by 100%. The net debts are defined as the sum of interest-bearing borrowings and lease liabilities net of cash and cash equivalents.

(7) Equals total profit before interest and tax divided by interest.

Analysis on Capital Resources

Liquidity and Capital Resources

Our principal sources of funds in the past have historically been our equity capital, cash generated from our operations and borrowings. Our primary liquidity requirements are to finance our working capital needs, and fund our capital expenditures and expansion of our operations. Going forward, we expect these principal sources of liquidity to remain the same.

As of 30 June 2026, our cash and cash equivalents were approximately RMB4,622.8 million (31 December 2025: approximately RMB4,333.5 million). Such increase in cash and cash equivalents was primarily attributable to the increase in facilities.

As of 30 June 2026, our current ratio was 1.1 (31 December 2025: 1.4).

EBITDA and Cash Flow

To supplement our consolidated results prepared and presented in accordance with the CASBE, we have also adopted EBITDA as an additional financial measure, which is neither required by nor presented in accordance with CASBE. We believe that these non-GAAP measures facilitate comparisons of operating performance between periods and among companies by eliminating the potential impact of items that our management does not consider to be indicative of our operating performance, such as the effects of certain non-cash or one-off items and certain investment transactions. The use of these non-GAAP measures has limitations as an analytical tool, and one should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial conditions as reported under CASBE. In addition, these non-GAAP measures may be defined differently from similar terms used by other companies.

The EBITDA of the Group refers to the aggregate amount of profit/loss for the period, income tax expenses, finance costs and depreciation and amortisation, among which depreciation and amortisation refer to the total amount of depreciation of fixed assets, depreciation of right-of-use assets, amortisation of long-term deferred expenses and amortisation of intangible assets.

The following table sets out the reconciliation of the non-GAAP measures to the nearest measures prepared in accordance with the CASBE for the periods ended 30 June 2026 and 2025:

	For the period ended	
	30 June 2026 ***(RMB in million)***	30 June 2025 *(RMB in million)*
Profit for the period	**(1,305.2)**	1,226.7
Plus: Income tax expenses	**1.4**	—
Finance costs	**115.9**	139.6
Depreciation and amortization of fixed assets	**326.3**	308.3
Depreciation of right-of-use assets	**119.8**	128.0
Amortisation of long-term deferred expenses	**7.5**	9.0
Amortisation of intangible assets	**5.4**	3.8
EBITDA	**(728.9)**	1,815.4

In the first half of 2026, the Group recorded EBITDA (non-CASBE measure) of RMB–728.9 million (in the first half of 2025: RMB1,815.4 million).

The Group primarily funds its working capital through cash generated from operating activities, investing activities and bank borrowings. Our cash requirements are mainly related to production and operating activities, capital expenditures, repayment of liabilities falling due, lease payments, interest payments and dividend distributions.

In the first half of 2026, net cash used in our operating activities was RMB594.7 million (generated in the first half of 2025: RMB1,738.9 million). Net cash used in our investing activities was RMB299.7 million (used in the first half of 2025: RMB433.7 million), including RMB934.0 million for the purchase/construction of fixed assets as well as productive biological assets (in the first half of 2025: RMB666.8 million). Net cash generated from our financing activities was

RMB1,184.2 million (used in the first half of 2025: RMB742.3 million). In summary, in the first half of 2026, our net increase in cash and cash equivalents was RMB289.3 million.

Capital Structure

As of 30 June 2026, the total number of issued shares of the Company was 388,875,636 Shares, including 231,287,182 Domestic Shares and 157,588,454 H Shares.

As of 30 June 2026, the Group's bank loans and other loans amounted to approximately RMB4,971.8 million (31 December 2025: approximately RMB3,450.6 million). The annual interest rate on bank loans ranged from 0.8% to 3.7% (31 December 2025: from 2.2% to 3.7%).

The interest-bearing borrowings were repayable as follows:

	30 June 2026 ***(RMB in million)*** **(Unaudited)**	31 December 2025 *(RMB in million)* (Audited)
Within 1 year	**2,588**	856
1 to 2 years	**1,564**	1,755
3 to 5 years	**755**	733
Over 5 years	**65**	107
Total	**4,972**	3,451

Details of the fixed-rate borrowings and variable-rate borrowings are as follows:

	30 June 2026 ***(RMB in million)*** **(Unaudited)**	31 December 2025 *(RMB in million)* (Audited)
Fixed-rate borrowings	**2,070**	378
Variable-rate borrowings	**2,902**	3,073
Total	**4,972**	3,451

As of 30 June 2026, the Group had net assets of approximately RMB7,477.4 million (31 December 2025: net assets of approximately RMB8,927.6 million). Net debts[1] of the Group amounted to approximately RMB3,297.2 million (31 December 2025: approximately RMB2,002.4 million), while the net debt-to-equity ratio was approximately 44.1% (31 December 2025: approximately 22.4%).

The Company has also established relevant internal control policies and procedures for cash and treasury management and financial reporting and disclosure control, which have been operating effectively. All reviewed data, internal control review reports including findings and recommendations for improvement have been presented and expressed to the Board and the Audit Committee.

Pledge of Assets

As of 30 June 2026, part of the Group's interest-bearing borrowings was secured by plant and equipment with book value of RMB231.9 million (31 December 2025: RMB238.5 million).

Contingent Liabilities

As of 30 June 2026, the Group had no significant contingent liabilities.

Capital Expenditure

Our capital expenditure primarily comprised of expenditures for the construction and upgrades of our production and ancillary facilities. We funded our capital expenditures primarily with shareholders' capital contributions, borrowings and operating activities. In the first half of 2026, the Group's capital expenditure was RMB934.0 million (for the first half of 2025: RMB666.8 million). The following table sets forth our capital expenditure for the periods indicated:

	For the six months ended 30 June 2026 ***(RMB in million)*** **(Unaudited)**	For the six months ended 30 June 2025 *(RMB in million)* (Unaudited)
Purchase and construction of fixed assets, intangible assets, productive biological assets and other long-term assets	**934**	667
Total	**934**	667

Note:

(1) The net debts are defined as the sum of interest-bearing borrowings and lease liabilities net of cash and cash equivalents. Debt to equity ratio is calculated as net debts divided by total equity as of the respective reporting dates.

In the first half of 2026, our demand for capital expenditure mainly came from productive biological assets, technical upgrades of farms, construction of new feed mills, renovation of breeding farms and food projects, and investment in information technology construction.

Capital Commitment

Capital commitment of the Group is mainly related to the purchase of plant and equipment in connection with our production. As of 30 June 2026, capital commitment of the Group was RMB727.4 million (31 December 2025: RMB898.6 million).

Biological Assets

Biological assets of the Group primarily consist of commodity hogs, commodity chickens, chicken breeders and breeding pigs. The book value of our biological assets was RMB7,308.2 million as of 30 June 2026 and RMB6,899.9 million as of 31 December 2025.

Foreign Exchange Risks

Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not our functional currency. Almost all of the Group's operating activities are carried out in the Chinese Mainland with most of the transactions denominated in RMB, as a result of which foreign exchange risk is not material.

The Group did not hedge against any fluctuation in foreign currencies during the Reporting Period.

V. Human Resources

Overview of Employees

As at 30 June 2026, the Group had a total of 11,944 employees (as at the end of the first half of 2025: 10,904 employees), most of whom were employed in the Chinese Mainland. During the Reporting Period, the total number of employees increased by 9.5% year-on-year, primarily due to the continued recruitment of professional talents in connection with business expansion, production and research and development, and digital construction. We continued to advance the optimization of our talent structure by focusing on expanding teams of high-skilled professional and R&D technical personnel, increasing the proportion of core technical personnel and continuously consolidating the talent base to strongly support the implementation of the entire industry chain development strategy of the Company.

Remuneration and Incentive System

The Company implements a performance-oriented comprehensive remuneration strategy, with remuneration decisions comprehensively considering job value, individual work performance, industry benchmarks and the Company's operational results to ensure a fair and reasonable remuneration system that is in line with the market level.

In terms of incentive mechanism, the Company has established a diversified incentive system combining short, medium and long-term plans, to effectively tie the interests of core management and technical teams with the long-term development interest of the Company and fully mobilize the enthusiasm and sense of belonging of core talents.

In governance supervision, the remuneration committee of the Company continuously fulfills its oversight and review duties, periodically assessing the alignment of the compensation structure with the Company's strategic development. Taking into account market compensation trends and company-wide performance appraisal results, the committee submits recommendations on remuneration packages for directors and senior management to the Board, ensuring a compensation system that is scientifically sound, compliant, and dynamically adapted to the Company's development. During the Reporting Period, with due consideration to industry benchmarks for independent director compensation, the Company's operational scale and governance circumstances, as well as the independent directors' years of diligent service, deep involvement in strategic deliberations, internal control oversight, and special review assignments, the Company moderately increased their compensation, which is conducive to better leverage the independent directors' professional supervision and decision-making advisory functions, and to strengthen long-term governance incentive arrangements.

In compliance assurance, the Company adheres to national and local labor laws and regulations, making full social insurance and housing provident fund contributions for all employees as legally required, while also providing supplementary commercial insurance, to ensure comprehensive employment management and effectively prevent and mitigate various employment-related compliance risks.

Total remuneration: In the first half of 2026, the total employee remuneration amounted to approximately RMB758.8 million (for the first half of 2025: RMB790.8 million).

Talent Development and Organizational Effectiveness

Despite the industry being at a cyclical trough, the Company adheres to its development philosophy of prioritising talent. Centred on the core objectives of "selection, deployment, retention, development and management", the Company has established a three-tiered training system comprising “qualified soldiers — competent officers — strategic leaders”, which encompasses “onboarding empowerment” for new employees, “on-the-job enhancement” for key operational staff, and “succession pool development” for core management echelons, thereby forming a complete closed-loop approach that emphasises both “selection and development, and fosters talent through practical experience”.

The Company has fully implemented the DHBS Dekon China Lean Operation System across all operations, fostering a shared understanding and aligned execution amongst all staff. Leveraging lean project practices to continuously screen and deploy back-bone personnel with intrinsic self-driving force, deeply integrating a tiered talent training system with a standardised lean management system to systematically strengthen the organisation’s talent capabilities.

During the Reporting Period, the Company carried out systematic empowerment for employees in an all-round manner, focusing on the development of the management pipeline, the strengthening of professional capabilities, the incubation and cultivation of new recruits, and routine on-the-job practical training, with an aggregate of 168,000 employee training attendances. The Company has concurrently established a sound performance evaluation and feedback mechanism to ensure that employees receive timely work assessments and improvement guidance; meanwhile, it has continuously fostered sound and stable employee relations by providing diversified employee benefits and improving the personal development support system.

VI. Significant Risks and Uncertainties

The results and business operations of the Company are affected by a number of risks and uncertainties directly or indirectly related to the business of the Company. Primary risk factors known to the Company are outlined as follows:

1. Price Volatility Risk

Risk description: The Company’s operating results are highly dependent on the selling prices of pig and yellow-feathered broilers products, which are influenced by multiple factors such as supply and demand dynamics, feed costs, macroeconomic conditions and resumption pace of residents consumption and meat substitution demand, and therefore exhibit significant cyclical and seasonal fluctuations. The time period that the industry cycle will remain at its trough is subject to considerable uncertainty.

In the first half of 2026, the hog industry remained mired in the trough of its cycle. Excess production capacity, combined with flat end-user demand, kept breeding sow inventories persistently above the industry’s recommended red-line level for an extended period, continuously suppressing hog prices and pushing the industry as a whole into deep losses. For yellow-feathered broilers, quarterly performance diverged significantly. The first quarter saw some profit recovery supported by consumer demand, while in the second quarter, concentrated hatching of breeding stock earlier in the year drove up commercial chicken supply. This, together with the seasonal consumption slowdown, put downward pressure on chicken prices and significantly narrowed farming margins. The outlook for subsequent breeding stock reduction and the pace of recovery in food service consumption remain unclear. Should industry capacity reduction proceed slower than expected and end-user demand remain persistently weak, product prices could stay low for an extended period, exposing the Company to downside risks in sales revenue and profitability, including potential losses.

Furthermore, barley, wheat and corn are core feed ingredients for our farming operations. Their prices are subject to multiple volatile factors, including international commodity market trends, geopolitical and climatic conditions, domestic crop yields, and government procurement and reserve policies. During the first half of 2026, feed ingredient prices generally fluctuated at elevated levels, with rigid cost pressures consistently squeezing farming margins. Given the uncertainties in future supply-demand dynamics and price movements of raw materials, a sustained and significant rise in raw material prices could exert cost control pressure on the Company. Given the lag in adjusting livestock and poultry product selling prices, our profit margins may continue to narrow.

Mitigation measures: to address price volatility, the Group has adopted a multi-dimensional risk management strategy:

Operational efficiency enhancement and financial hedging: the Group continuously improves operational efficiency of self-operated and partnered farms, optimizes herd population structure to dilute unit feeding cost, while moderately utilising financial derivatives to hedge against fluctuations in pig selling prices and major feed commodity prices.

Feed cost control system: the Group has established a comprehensive technical system for feed cost control and implements a value-based raw material procurement strategy. By promoting the use of high-efficiency enzyme preparations, low-protein diet technology and low-corn/low-soybean meal formulation technology, the Company is able to quickly and flexibly adjust its formulation structures and procurement strategies in response to significant increases in raw material prices, thereby effectively mitigating the impact of cost fluctuations on profitability.

2. Animal Epidemic Risk

Risk description: Animal epidemics represent a major threat to the livestock and poultry breeding industry. Although the Company has established a stringent biosecurity system, the risk of disease outbreaks cannot be completely eliminated. In the hog breeding segment, diseases such as porcine reproductive and respiratory syndrome (PRRS), porcine circovirus and porcine epidemic diarrhoea (PED) may also occur occasionally, which may have potential adverse effects on the production and operations. In the poultry breeding segment, diseases such as highly pathogenic avian influenza and Newcastle disease are characterised by rapid transmission and high mortality rates. If widespread epidemic were to occur at the Group's breeding bases, it could directly lead to a reduction in stock volume, inventory and slaughter volumes, resulting in substantial costs associated with disease prevention and control, culling and harmless disposal, and potentially affect product sales due to consumer panic in the market. Although the Company did not incur any material losses due to animal epidemics during the Reporting Period, the sudden and contagious nature of such diseases may still pose potential adverse impacts on the Company's production and operations.

Mitigation measures: The Company has implemented a multi-tiered and full-coverage biosecurity system to mitigate risks in a multi-faceted manner:

Physical barriers and site selection standards: The Company strictly adheres to biosecurity site selection requirements for its breeding farms, rationally arranges the layout of the premises leveraging topographical advantages, strictly segregates clean and contaminated routes, and ensures that adequate safety distances are maintained between all farming sites, thereby reinforcing the foundation of physical biosecurity.

Differentiated eradication and monitoring: We formulate differentiated eradication plans based on the epidemiological characteristics of different diseases. We implement routine and standard immune prevention, pathogenic testing, and antibody monitoring mechanisms. We achieve disease eradication through measures such as weeding out infected animals and through separate breeding of separate herds.

Environmental control and scientific immunisation: We comprehensively upgrade the environmental control and ventilation supporting equipment of the farm house to stabilise feeding environment and reduce the disease triggers. We formulate standard immunisation procedures according to regional and seasonal characteristics of pandemics to ensure that regulated vaccine immunisation is fully in place.

Standardized management of farming operations: The Company continuously assigns technical specialists to partner farms, supplies veterinary medicines and disinfection materials on a centralized basis, and regularly conducts biosecurity training and on-site inspections to ensure epidemic prevention and control measures at these farms are fully and effectively implemented.

3. Food Safety Risks

Risk description: With increasingly stringent regulatory oversight and growing public scrutiny, industry-wide compliance management has become more challenging. Our business spans the entire value chain from feed production and breeding to hog slaughtering and fresh meat sales, involving multiple interconnected links. Any lapse in control at any stage could trigger food safety hazards. Moreover, food safety incidents tend to have a strong ripple effect through public sentiment; even negative events that are not attributable to our Company could still damage our brand reputation and disrupt customer relationships. In addition, as our downstream food distribution channels continue to expand and our products are exposed to a broader range of distribution scenarios, the uncertainty surrounding full-chain quality control has increased further.

Mitigation measures: The Group has established and continuously iterates a whole-chain food safety management system:

Full-Process control: The management system covers key processes including raw material procurement, production processing, storage, and transportation. Regular internal self-inspection and risk assessments are conducted to ensure all business units strictly adhere to unified food safety standards.

Personnel empowerment and traceability mechanism: We routinely conduct training and assessment for frontline employees, covering operational compliance and emergency response procedures, and established an end-to-end product traceability system that covers the entire value chain from breeding to final fresh products, to ensure full information traceability at every stage and enable rapid identification and action in the event of food safety irregularities.

Compliance and collaboration: We actively respond to government regulatory requirements, participate in the formulation of and exchange on industry standards, and continuously enhance overall risk control capabilities to further enhance public credibility.

4. Environmental Compliance Risks

Risk description: The Chinese authorities have continued to tighten environmental compliance standards for livestock and poultry farming as well as slaughtering and processing operations. Regulatory requirements concerning manure treatment, waste gas and wastewater discharge, and land use have been steadily upgraded, while local enforcement efforts have intensified. Should environmental policies become even more stringent going forward, industry-wide compliance and retrofitting costs will continue to rise. If the Company fails to keep pace with evolving regulatory requirements, its farming bases and slaughtering facilities could face the risk of production curtailment or suspension for rectification, which may disrupt normal production and operational schedules. At the same time, environmental access thresholds for the industry have been progressively raised, making environmental compliance a key competitive differentiator. These policy shifts introduce medium- to long-term operational uncertainty for the Company.

Mitigation measures: The Company has long placed environmental protection at the core of its operational management, embedding a green development philosophy across all levels of the organization. We consistently allocate resources to upgrade and maintain environmental facilities, implement high-standard pollution control measures across all business segments, and reported no major environmental pollution incidents during the Reporting Period.

Our farming facilities are equipped with standardized manure treatment, waste gas purification, and production tail water treatment systems. We continuously promote the comprehensive utilization of manure resources and have implemented integrated crop-livestock recycling solutions, effectively reducing pollutant emissions at source. The Company conducts regular environmental self-inspections, equipment maintenance, and employee training across all sites, and has completed retrofitting projects to meet upgraded environmental standards ahead of schedule. We proactively coordinate with local ecological and environmental authorities to complete pollutant discharge filings and periodic monitoring, and have established an early-warning and emergency response mechanism for environmental risks, thereby continuously reinforcing our long-term environmental management and control capabilities.

5. Policy and Regulatory Risks

The livestock breeding industry is subject to the guidance and constraints of laws, regulations and industrial policies, and the Company's production and operation must strictly implement various regulatory requirements such as production capacity control, animal epidemic prevention, and food safety. As the industry and the external environment continue to evolve, the relevant regulatory framework and industrial policies are in a process of dynamic refinement. Should subsequent regulatory rules and industrial guidelines be adjusted, and the Company fail to synchronously optimise its operational and management arrangements to comply with the applicable requirements, such circumstances may introduce uncertainties to the Company's production and operation.

Mitigation measures: The Company has established a normalised policy tracking and compliance response mechanism, closely monitoring industry regulatory rules and industrial development guidelines, and proactively liaising with competent authorities at all levels to ensure compliance with regulatory requirements. At the operational level, we proactively align with industry compliance standards, and continuously improve our internal control system with respect to regulatory dimensions such as standardised breeding, animal epidemic prevention, and food safety. Relying on refined breeding management and cost control capabilities, dynamically adjust production plans and operational rhythms, and comprehensively enhance the Company's level of compliant operations and comprehensive risk-resistance capabilities.

6. Natural Disasters and Force Majeure Risks

Risk description: Extreme weather events such as floods, prolonged heatwaves, extreme cold, and droughts may damage our farming facilities, disrupt the transportation of livestock and feed, and affect domestic grain harvests, indirectly pushing up feed costs. The timing and scope of force majeure events, including epidemics and natural disasters, are inherently unpredictable, and such events could lead to temporary production cuts, higher costs, and sudden adverse impacts on our operating performance.

Mitigation measures: Our farming facilities are equipped with comprehensive temperature control, flood prevention, and drought resistance infrastructure. We have established a disaster early-warning and coordination mechanism that allows us to relocate livestock and stockpile feed in advance of extreme weather. We also maintain property insurance for our farming assets to hedge against asset losses resulting from such disasters.

VII. Outlook

In the second half of 2026, the hog and poultry sectors as a whole showed a positive trend, although uncertainties remained regarding market prices and raw material costs. The Group will leverage the operational foundation established during the first half of the year, continue to drive innovation and iteration across its hog segment, poultry segment and ancillary products segment, strengthen its capacity for sustainable operations, seize structural opportunities in the industry, and consolidate its competitive advantages. In the second half of the year, the Group will rigorously prevent and control various operational and market risks, focusing on the following priorities:

(I) Hog segment

Influenced by the pig cycle, the industry as a whole showed a positive trend in the second half of the year, although fluctuations in the supply-and-demand dynamics and pig prices persisted. The Company will advance genetic breeding optimisation, refined management and innovation in business model, establish a technology-driven and lean-operated modern farming system, consolidate its market competitive position, seize the window of opportunity presented by industry landscape optimisation, and mitigate the operational pressure arising from cyclical market fluctuations.

(1) Production Efficiency Enhancement and Cost Control

We will implement our self-developed breeding pig platform and related breeding pig purification efforts to improve reproductive performance of breeding pigs, thereby reducing production costs at the source. We will strengthen the refined management of farrowing houses, optimise the core indicator of weaning survival rate, reduce the breeding cost per head, and solidify the foundation for profitability. We will promote the application of intelligent breeding equipment, optimise feed conversion efficiency and the fattening cycle, and continue to promote low-protein diets and precision feeding techniques, thereby improving the feed conversion ratio and the qualification rate of market-ready pigs, reducing production losses, and enhancing the profitability of market-ready pigs. In response to fluctuations in feed raw material prices, the Group will enhance procurement coordination to achieve optimisation of feed unit costs. Through cost-reduction measures across the entire chain, we will continuously optimise the total cost of pig production, maintain a cost level with industry competitiveness, strengthen the operational safety margin during the trough phase of the cycle, and enhance our resilience against cyclical fluctuations in hog prices.

(2) Digital & Intelligent Transformation and Risk Hedging

We will drive the development of smart pig farms and the iterative upgrading of IT systems, refine the digital management system and shift livestock management from an experience-driven approach to data-driven decision-making. In response to fluctuations in the hog market, we will conduct live hog futures hedging operations in a standardised manner and establish standardised hedging mechanisms to mitigate profit volatility; by utilising data and algorithmic models to inform quantitative hedging decisions, we will minimise reliance on subjective forecasts and enhance our risk resilience and operational robustness in extreme market conditions.

(II) Poultry segment

The poultry market is also facing market volatility in product prices and raw material costs, and competition within the sector continues to intensify; however, increased industry concentration is creating opportunities for growth. We will continue to advance the cost-reduction drive in low-cost operations and the expansion of high-value-added products, so as to drive a substantive improvement in the profitability of the segment. First, we will implement a precision nutrition system and dynamic formula optimisation, closely monitor changes in raw material market conditions to further explore cost reduction potential in feed, and consolidate our cost competitiveness. Second, we will intensify the development of sales channels for high-value-added products, increase the proportion of sales of such products, and strengthen brand competitiveness through product differentiation and supporting services, thereby counteracting the pressure of low-price market competition. Third, we will improve the full-process feeding management and iterate standard operating procedures. Fourth, we will promote the optimal allocation of personnel through a "multi-skilled" approach, enhance operational efficiency through management improvements, and mitigate the impact of market fluctuations on the profitability of the segment.

(III) Ancillary product segment

The slaughtering and meat product business is significantly affected by the consumer market and price trends of fresh products, whilst consumption upgrading also brings growth opportunities for the food-processing business. The Company will rely on its core production bases within Sichuan Province to coordinate and advance the operational commencement of slaughtering businesses of Yibin Dekon Food and Sichuan Dekon-Tönnies Premium Food, enhance the utilisation rate of existing production capacity, and steadily expand the commencement scale of meat product processing. The Company will optimise its product mix and regional layout, deepen its focus on the low-temperature and cured meat product sectors, strengthen market expansion and market condition assessment, and continuously enhance its regional market share. Meanwhile, we will continuously refine the whole-industry-chain quality control and traceability system, digital-intelligent operation framework and talent development system, steadily foster a high-quality food ecosystem, and safeguard the robust operation of such segment.

(IV) ESG and sustainability initiatives. The Company will continue to advance the "One Hundred Villages, One Million"project, implement the national policies on reducing chemical fertilizer usage, explore an integrated crop-livestock ecological recycling model, establish a chain for synergistic development of crop cultivation and livestock breeding, strictly adhere to food safety and production safety management, and create a practice model for sustainable agricultural development.

MATERIAL EVENTS AFTER THE REPORTING PERIOD

On 4 August 2026, the Company completed the issuance of zero coupon convertible bonds in the aggregate principal amount of US$100 million due 2027 (the "**Bonds**"). The Bonds are convertible into fully paid ordinary H shares of the Company with a par value of RMB1.00 each at an initial Conversion Price of HK$54.08 per H Share (subject to adjustments). The Bonds were listed on the Vienna MTF, operated by the Vienna Stock Exchange, on the same day, and the Hong Kong Stock Exchange has granted approval for the listing of, and permission to deal in, the H shares to be allotted and issued upon conversion of the Bonds. Assuming the Bonds are fully converted at the initial Conversion Price and applying the Fixed Exchange Rate, the Company will allot and issue a maximum of 14,500,369 H shares, representing approximately 3.73% of the Company's total issued share capital as at the issue date of the Bonds and approximately 3.59% of the enlarged total issued share capital after the allotment and issue of such conversion shares. The net proceeds from the issuance of the Bonds amounted to approximately US$99.70 million, of which approximately US$39.88 million (40%) is intended to be used for repayment of certain outstanding bank borrowings of the Group, approximately US$29.91 million (30%) is intended to be used for financing the procurement of feed in the ordinary course of business of the Group, and the remaining approximately US$29.91 million (30%) is intended to be used for financing the procurement of 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 of the Group. The above net proceeds are expected to be fully utilised by the end of July 2027. For further details regarding the issuance of the Bonds, please refer to the Company's announcements dated 24 July 2026 and 4 August 2026. As at the date of this results announcement, no Bonds have been converted.

Save as disclosed above and as of the date of this announcement, there are no other significant subsequent events after the Reporting Period.

EMPLOYEES AND REMUNERATION POLICY

As of 30 June 2026, we had 11,944 employees, all of which are located in the PRC. Our success depends on our ability to attract, retain and motivate qualified employees. To this end, we offer our employees competitive remuneration packages, comprising salaries, bonuses and allowances. During the Reporting Period, total remuneration of the Company amounted to approximately RMB758.8 million (same period in 2025: approximately RMB790.8 million). Meanwhile, in strict compliance with the relevant laws and regulations of the PRC, we make contributions to social insurance schemes for all employees, including pension, medical, work-related injury, unemployment and maternity insurance, as well as housing provident funds.

We have brought in a first-class management team to enhance operational efficiency. We also provide our employees with continuous training programmes to strengthen their competitiveness and job capabilities.

We have adopted performance appraisal schemes to ensure timely and effective feedback on employees' performance. In addition, we promote employee relations by offering a variety of staff benefits and personal development support.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of 30 June 2026, the Company had not entered into any off-balance sheet arrangements.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

USE OF PROCEEDS FROM THE LISTING

The Company's H Shares were listed on the Main Board of the Stock Exchange on 6 December 2023. The net proceeds from the Global Offering were approximately HK$952.5 million after deducting underwriting commissions and offering expenses paid. Since the Listing Date and as of 30 June 2026, the Group had utilised approximately HK$764.5 million of the proceeds for various purposes as set out below. We have gradually utilised and intend to use the proceeds from the Global Offering according to the purposes disclosed in the Prospectus and the revised uses as subsequently announced on 29 September 2025, and we intend to utilise the remaining unutilised proceeds in accordance with the relevant revised uses and expected timeline. See the table below for details:

Use	Allocation of net proceeds as stated in the Prospectus		Revised allocation of net proceeds[(2)]		Net proceeds unutilised and carried forward to the Reporting Period as of 31 December 2025	Net proceeds utilised for the six months ended 30 June 2026	Cumulative net proceeds utilized as of 30 June 2026	Net proceeds unutilized as at 30 June 2026 [(1)]	Expected timeline for fully utilizing unutilized net amount [(3)]
	(%)	*(HK$ million)*	*(%)*	*(HK$ million)*	*(HK$ million)*	*(HK$ million)*	*(HK$ million)*	*(HK$ million)*	
Expanding the existing pigs and yellow-feathered broilers farming business	50.00%	476.3	40.00%	381	0	0	381	0	N/A
Developing the food processing business	15.00%	142.9	25.00%	238.2	95.3	8.6	151.5	86.7	by end of 2026 and 2027[(2)]
Investment in the R&D and information technology system	10.00%	95.3	10.00%	95.3	0	0	95.3	0	N/A
Strategic investments or potential acquisitions	10.00%	95.3	10.00%	95.3	95.3	0	0	95.3	See note[(4)]
Repaying certain outstanding bank loans	5.00%	47.6	5.00%	47.6	0	0	47.6	0	N/A
Working capital and general corporate purposes	10.00%	95.3	10.00%	95.3	16.5	10.3	89.1	6.2	by end of 2026
Total	100.00%	952.5	100.00%	952.5	207.1	18.9	764.5	188.2	

Notes:

(1) Numbers have been subject to rounding. Any discrepancy between the total and the sum of the amounts listed is due to rounding.

(2) According to the section "Future Plans and Use of Proceeds" in the Prospectus, approximately 50.0% of the net proceeds from the Global Offering were intended to be used over the next three years since Listing to expand the Group's existing pigs and yellow-feathered broiler farming businesses. Among these, approximately 10.0% of the net proceeds from the Global Offering, or HK$78.8million, was originally estimated to be invested in the construction of self-operated pig farms, primarily for land acquisition and other fixed asset investments related to farm development in Southwest China. Based on the final Offer Price of the Global Offering, the amount available from the net proceeds from the Global Offering of the Company for such investment is HK$95.3 million. The Group has experienced strong growth in its pig and poultry business, particularly through its "Company + Family Farm" model, which has been effectively supported by favourable government policies. The proceeds were originally intended for the construction of a pig fattening farm in Chongqing. However, as a result of the local government's involvement in constructing and leasing the fattening farm to the Group, the need for the originally planned investment in this area has been eliminated. In light of this development, and with the aim of optimizing the use of proceeds and enhancing financial efficiency, on 29 September 2025, the Company resolved to reallocate the unutilised net proceeds of HK$95.3 million (originally designated for the construction of the pig fattening farm in Chongqing) under the expansion of existing pigs and yellow-feathered broiler farming businesses as at 29 September 2025 to the expansion of the food processing business, for the following specific projects:

(a) Construction of a 5,000-tonne cold storage facility and a fresh meat production line, with funding of HK$39.4 million, expected to be utilised by the end of 2026.

(b) Construction of a comprehensive pig slaughtering and processing workshop and cold chain logistics facilities, with funding of HK$55.9 million, expected to be utilised by the end of 2027.

(3) Save as disclosed above regarding the reallocation of the use of proceeds on 29 September 2025, the net proceeds from the Global Offering have been applied during the six months ended 30 June 2026 in accordance with the previously disclosed purposes by the Company. The unutilised net proceeds as at 30 June 2026 are intended to be applied in accordance with the purposes and expected timeline as set out in the above table. Such proceeds are currently fully deposited in the special fund-raising account opened by the Company.

(4) In respect of strategic investments or potential acquisitions, the relevant proceeds will be utilised upon the Group's identification of suitable projects that align with its business strategies and investment criteria, and therefore no specific timetable for utilisation can be reasonably determined as at the date of this report.

OTHER INFORMATION

Compliance with the Corporate Governance Code

The Group is committed to maintaining and promoting stringent corporate governance. The principle of the Group's corporate governance is to promote effective internal control measures, uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, to ensure that its business and operation are conducted in accordance with applicable laws and regulations, to enhance the transparency of the Board, and to strengthen accountability to all shareholders. The Group's corporate governance practices are based on the principles and code provisions prescribed in the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The Group had complied with the code provisions contained in the CG Code during the Reporting Period.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code, and maintain a high standard of corporate governance practices of the Company.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as a code of conduct for securities transactions by the directors and supervisors. The Company has made specific enquiries with each Director and Supervisor and each of them confirmed that he or she had complied with all required standards during the Reporting Period.

No incident of non-compliance of the Model Code by the employees was noted by the Company for the Reporting Period.

Purchase, Sale or Redemption of the Company's Listed Securities

Pursuant to the share repurchase mandate granted to the Board by the shareholders at the annual general meeting held on 22 April 2025, the Company repurchased a total of 1,890,200 H shares on the Stock Exchange during the Reporting Period, for a total consideration of HK$125,481,819.97 (excluding commissions and other transaction fees), with the repurchase price per share ranging from HK$61.55 to HK$73.95. All of the repurchased shares above are held by the Company as treasury shares. The repurchased H Shares will primarily be used for employee stock ownership plans or equity incentives, or for other purposes permitted by laws and administrative regulations. The Board believes that the share repurchases are conducive to the Company's long-term development. On one hand, they serve to better incentivise employees; on the other hand, conducting share repurchases under the current market conditions demonstrates the Company's confidence in its business development and prospects, ultimately benefiting the Company and creating value for shareholders.

		Purchase price per share		
Month of repurchase	**Number of shares repurchased**	**Highest price paid**	**Lowest price paid**	**Total consideration paid**
		HK$	*HK$*	*HK$*
January	535,200	70.20	64.60	36,242,459.99
February	157,400	73.95	68.20	11,161,295.02
March	420,300	67.00	62.25	27,194,884.96
April	777,300	69.75	61.55	50,883,180.00
Total	1,890,200			125,481,819.97

Save as disclosed above, during the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities. Furthermore, as at 30 June 2026, the Company held 3,518,700 treasury shares. These treasury shares are intended for future potential share award schemes or equity incentive plans, or for cancellation at an appropriate time, subject to market conditions and the Company's capital management strategy. During the Reporting Period, the Company did not sell or transfer any treasury shares.

Sufficiency of public float

The Stock Exchange has granted the Company a waiver from strict compliance with the requirement under Rule 8.08(1) of the Listing Rules to reduce the minimum public float of our Company to 17.00%.

Pursuant to the completion of the H Share Full Circulation on 13 June 2025, and based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Directors confirmed that the Company has maintained the aforementioned minimum public float required by the Stock Exchange since the Listing Date and as of the date of this interim results announcement.

Audit Committee and Review of Financial Information

The Company has established an audit committee (the "**Audit Committee**") in compliance with Rule 3.21 of the Listing Rules and the CG Code to assist the Board by providing independent views on the effectiveness of the financial reporting system, risk management and internal control system of the Group, to oversee the audit process, to develop and review our policies and to perform other duties and responsibilities as assigned by the Board. The Audit Committee consists of three members, namely Mr. Chan Yuk Tong, Mr. Zhu Qing and Ms. Liu Shan. Mr. Chan Yuk Tong has been appointed as the chairman of the Audit Committee and is our independent non-executive Director with the appropriate professional qualifications.

The Audit Committee has reviewed the interim report and unaudited interim financial information of the Group for the six months ended 30 June 2026 and discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members.

Review of interim results by KPMG

The interim financial results have been extracted from the unaudited interim financial report for the six months ended 30 June 2026 which have been reviewed by KPMG, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity", issued by the Hong Kong Institute of Certified Public Accountants, whose unmodified review report is included in the interim report to be sent to Shareholders.

PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.dekanggroup.com. The interim report of the Group for the six months ended 30 June 2026 will be published on the aforesaid websites of the Stock Exchange and the Company in due course.

APPRECIATION

The Board would like to express its gratitude to all of our customers, suppliers, and all Shareholders for their understanding, support and trust, with which all employees of the Group will continue to work diligently as one in the long run.

By order of the Board
Dekon Food and Agriculture Group
Wang Degen
Chairman of the Board and Executive Director

People's Republic of China, 18 August 2026

As of 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.