德康集团
DEKON GROUP

四川德康農牧食品集團股份有限公司
DEKON FOOD AND AGRICULTURE GROUP

（於中華人民共和國註冊成立的股份有限公司）
(A joint stock company incorporated in the People's Republic of China with limited liability)

股份代號 STOCK CODE : 2419

2026
INTERIM REPORT 中期報告

CONTENTS

CORPORATE INFORMATION

LEGAL NAME OF THE COMPANY:
Dekon Food and Agriculture Group

PLACE OF LISTING:
Main Board of the Stock Exchange

STOCK CODE:
2419

COMPANY WEBSITE:
www.dekanggroup.com

DIRECTORS:
Executive Directors:
Mr. Wang Degen *(Chairman)*
Mr. Wang Dehui *(Deputy Chairman)*
Mr. Yao Hailong
Mr. Hu Wei
Mr. Zeng Min

Non-executive Director:
Ms. Liu Shan

Independent Non-executive Directors:
Mr. Chan Yuk Tong *(appointed on 11 February 2026)*
Mr. Pan Ying
Mr. Zhu Qing
Mr. Fung Che Wai, Anthony
(resigned on 11 February 2026)

SUPERVISORS:
Ms. Zhu Hui
Ms. Gong Shuang
Ms. Zhou Zhexu

JOINT COMPANY SECRETARIES:
Mr. Zeng Min
Mr. Li Kin Wai

AUTHORISED REPRESENTATIVES:
Mr. Zeng Min
Mr. Li Kin Wai

AUDIT COMMITTEE:
Mr. Chan Yuk Tong
(appointed as Chairman on 11 February 2026)
Mr. Zhu Qing
Ms. Liu Shan
Mr. Fung Che Wai, Anthony
(resigned on 11 February 2026)

REMUNERATION COMMITTEE:
Mr. Pan Ying *(Chairman)*
Mr. Wang Degen
Mr. Chan Yuk Tong *(appointed on 11 February 2026)*
Mr. Fung Che Wai, Anthony
(resigned on 11 February 2026)

NOMINATION COMMITTEE:
Mr. Zhu Qing *(Chairman)*
Mr. Pan Ying
Ms. Liu Shan

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC:
Unit 901–909, 9th Floor, Building 2
Chengdu East Aviation Centre,
32 Lingang Road
Shuangliu District,
Chengdu, Sichuan Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG:
Room 1918, 19/F, Lee Garden One
33 Hysan Avenue, Causeway Bay
Hong Kong

H SHARE REGISTRAR:
Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

AUDITOR:
KPMG Huazhen LLP
Public Interest Entity Auditor recognised under the Accounting and Financial Reporting Council Ordinance
8th Floor, KPMG Tower,
Oriental Plaza
1 East Chang An Avenue
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HONG KONG LEGAL ADVISER:
Haiwen & Partners LLP
Suites 601–602 & 610–616, 6/F,
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Central
Hong Kong

COMPLIANCE ADVISER:
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PRINCIPAL BANKS:
Bank of China Limited, Pengzhou branch
China Industrial Bank Limited, Chengdu branch
Agricultural Bank of China Limited,
Chengdu Jincheng branch

FINANCIAL HIGHLIGHTS

	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 represent 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.

DEFINITIONS

In this interim report, the following expressions shall have the following meanings unless the context otherwise requires:

"Articles of Association"	the articles of association of the Company, as amended from time to time
"Audit Committee"	the Audit Committee of the Board
"Board" or "Board of Directors"	the board of directors of the Company
"Board of Supervisors"	the board of supervisors of the Company
"Company" or "our Company" or "the Company"	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 under the laws of the PRC
"Company Law"	the Company Law of the People's Republic of China
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules and, unless the context requires otherwise, refers to Mr. Wang Degen and Dekon Holding
"Corporate Governance Code" or "CG Code"	the Corporate Governance Code as set out in Appendix C1 of the Listing Rules
"CSRC"	China Securities Regulatory Commission
"Dekon Holding"	Sichuan Dekon Holding Group Co., Ltd. (四川德康控股集團有限公司), one of our Controlling Shareholders and previously known as Sichuan Desheng Ronghe Group Co. Ltd. (四川德盛榮和實業集團有限公司) and Sichuan Desheng Ronghe Industrial Co. Ltd. (四川德盛榮和實業有限公司), a company established in the PRC on 8 June 2017, which is wholly owned by Mr. Wang Degen
"Director(s)"	the director(s) of the Company
"Domestic Share(s)"	ordinary share in our capital, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi
"Global Offering"	the offer of Shares for subscription as described in the Prospectus
"Group"	the Company and its subsidiaries
"HK\$", "HKD" or "Hong Kong dollars" or "HK dollars" or "cents"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"H Share(s)"	overseas listed foreign shares in our ordinary share capital with a nominal value of RMB1.00 each, which are listed on the Stock Exchange and subscribed for and traded in HK dollars
"Independent Third Party(ies)"	an individual or a company who, as far as the Directors are aware after having made all reasonable enquiries, is not a connected person of the Company within the meaning of the Listing Rules
"Listing Date"	the date on which the dealing in the Shares first commences on the Stock Exchange, being 6 December 2023

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"MARA"	the Ministry of Agriculture and Rural Affairs of the People's Republic of China (中華人民共和國農業農村部)
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules
"Nomination Committee"	the Nomination Committee of the Board
"Prospectus"	the prospectus of the Company dated 27 November 2023 in connection with the Global Offering
"Remuneration Committee"	the Remuneration Committee of the Board
"Reporting Period"	the six months ended 30 June 2026
"RMB" or "Renminbi"	the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
"Share(s)"	shares in the capital of our Company with a nominal value of RMB1.00 each
"Shareholder(s)"	holder(s) of the Shares of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supervisor(s)"	the supervisor(s) of the Company
"Tongchuang Deheng"	Chengdu Tongchuang Deheng Enterprise Management Centre (Limited Partnership) (成都同創德恒企業管理中心(有限合夥)), a limited partnership established under the laws of the PRC on 13 December 2019 and an employee shareholding platform of the Company, the general partner of which is Sichuan Dinghui Ronghe Enterprise Management Co., Ltd. (四川鼎輝榮和企業管理有限公司), which is wholly-owned by Mr. Wang Dehui
"Treasury Shares"	has the meaning ascribed to it under the Listing Rules
"Zhongcheng Jinyi"	Chengdu Zhongcheng Jinyi Enterprise Management Centre (Limited Partnership) (成都眾誠金宜企業管理中心(有限合夥)), a limited partnership established under the laws of the PRC on 18 April 2019 and an employee shareholding platform of the Company, the general partner of which is Sichuan Dinghui Ronghe Enterprise Management Co., Ltd. (四川鼎輝榮和企業管理有限公司), which is wholly-owned by Mr. Wang Dehui
"CASBE"	China Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China

GLOSSARY AND TECHNICAL TERMS

"Traditional Family Farms"	namely No. 1 family farm model, which refers to the model operated under our pig segment. Under this model, we provide farms with weaned piglets, feed, vaccines, and veterinary medicines. These farms then raise the weaned piglets into fattened hogs or market-ready piglets and return the pigs to us in exchange for an agreed-upon fee
"New-Type Family Farms"	namely No. 2 family farm model, which refers to the model operated under our pig segment. Under this model, we provide farms with two-way crossbred sows, boar semen, feed, vaccines, and veterinary medicines. These farms raise the breeding sows and produce weaned piglets (which are fattened either on No. 2 Family Farm or at a nearby No. 1 Family Farm) to earn an agreed-upon fee
"PED"	porcine epidemic diarrhoea, which causes diarrhoea and vomiting in pigs
"Poultry Family Farms"	farms operated under the model where we provide the farm(s) with chicks, feed, vaccine and veterinary medicine. Such farm(s) will raise those chicks into broilers and return the broilers to us for an agreed fee
"Poultry Farming Base"	farms operated under the model where we build the farms and provide to farm owners for yellow-feathered broiler farming. Farm owners will raise chicks into broilers and return the broilers to us for an agreed fee
"PRRS"	porcine reproductive and respiratory syndrome, a disease that causes a decrease in reproductive performance in breeding animals and respiratory disease in pigs
"Self-operated Farms"	farms operated under the model where our Group builds or leases standard farms and employ labour force to carry out scaled farming, and are responsible for breeding, fattening, farming and other related processes

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 interim report, 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

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).

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.

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 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/lowsoybean 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 production tail water discharge, and land use have been steadily upgraded. 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board is committed to maintaining high corporate governance standards.

The Board believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of the Shareholders of the Company, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions of the Corporate Governance Code as the basis of the Company's corporate governance practices.

On 6 October 2025, the Company announced that Ms. Liu Shan had tendered her resignation as a non-executive Director. Following Ms. Liu Shan's resignation, the composition of the Board and certain Board committees of the Company will temporarily fail to fully comply with the requirements of the Listing Rules and the terms of reference of the Audit Committee and Nomination Committee. Specifically, (1) the number of members of the Audit Committee will temporarily fall below the requirement under Rule 3.21 of the Listing Rules; (2) the Nomination Committee will temporarily fail to include a director of a different gender as required under code provision B.3.5 of the CG Code; and (3) the Board will temporarily consist of directors of a single gender, pending the appointment of a new female director to meet the requirement under Rule 13.92(2) of the Listing Rules. In light of the above, Ms. Liu Shan will remain as a non-executive Director and a member of each of the Audit Committee and Nomination Committee until a suitable candidate can fill the vacancy. For further details, please refer to the announcement of the Company dated 6 October 2025.

The Board is of the view that during the Reporting Period, the Company has complied with all the applicable code provisions as set out in the CG Code. The Board will continue to review and monitor the code of corporate governance practices of the Company with an aim to maintain a high standard of corporate governance.

SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted 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 under the Model Code during the Reporting Period and up to the date of this interim report.

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

SIGNIFICANT EVENTS DURING AND 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 interim report, no Bonds have been converted.

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

INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, the interests and short positions of the Directors, Supervisors and chief executives in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning as defined in Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions which they were taken or deemed to have under such provisions of the SFO), or to be entered in the register to be kept pursuant to section 352 of the SFO, or otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix C3 to the Listing Rules are as follows:

Name of Directors/ Supervisors	Nature of interest	Description of Shares	Number of Shares held[1]	Approximate percentage of shareholding in the relevant Shares (%)[2]	Approximate percentage of shareholding in the total share capital of our Company (%)[3]
Mr. Wang Degen	Beneficial Owner	Domestic Shares	11,915,198 (L)	5.15	3.06
		H Shares	2,301,700 (L)[4]	1.46	0.59
	Interest in a controlled corporation	Domestic Shares	119,400,900 (L)	51.62	30.70
		H Shares	11,666,269 (L)	7.40	3.00
Mr. Wang Dehui[5]	Beneficial Owner	Domestic Shares	5,957,599 (L)	2.58	1.53
	Interest in a controlled corporation	Domestic Shares	5,596,242 (L)	2.42	1.44
		H Shares	5,190,043 (L)	3.29	1.33
Mr. Yao Hailong[6]	Beneficial Owner	Domestic Shares	2,978,799 (L)	1.29	0.77
	Interests in the Employee Shareholding Platforms	Domestic Shares	977,879 (L)	0.42	0.25
		H Shares	951,788 (L)	0.60	0.24
Mr. Hu Wei	Beneficial Owner	Domestic Shares	8,936,398 (L)	3.86	2.30
Mr. Zeng Min[6]	Interests in the Employee Shareholding Platforms	Domestic Shares	105,184 (L)	0.05	0.03
		H Shares	97,029(L)	0.06	0.02
Ms. Zhu Hui[6]	Interests in the Employee Shareholding Platforms	Domestic Shares	46,748 (L)	0.02	0.01
		H Shares	43,130 (L)	0.03	0.01
Ms. Gong Shuang[6]	Interests in the Employee Shareholding Platforms	Domestic Shares	99,648 (L)	0.04	0.03
		H Shares	91,913 (L)	0.06	0.02
Ms. Zhou Zhexu[6]	Interests in the Employee Shareholding Platforms	Domestic Shares	55,360 (L)	0.02	0.01
		H Shares	51,074 (L)	0.03	0.01

Notes:

\# Numbers have been subject to rounding. Any discrepancy between the total and the sum of the amounts listed is due to rounding.

(1) The letter "L" denotes the person's long position in our Shares.

(2) The calculation is based on the percentage of shareholding in the relevant Shares as at 30 June 2026.

(3) The calculation is based on the total number of 388,875,636 Shares (including 231,287,182 Domestic Shares and 157,588,454 H Shares) in issue as at 30 June 2026.

(4) Mr. Wang Degen (being a controlling shareholder of the Company) purchased an aggregate of 2,301,700 H shares of the Company in the open market during the period from 27 May 2026 to 26 June 2026, for a total consideration of approximately HK$111,979,223, at an average price of approximately HK$48.65 per H share (the "Shareholding Increase"). Following the Shareholding Increase, Mr. Wang's interest in the total issued share capital of the Company (including treasury shares) increased by approximately 0.59%.

(5) Sichuan Dinghui Ronghe Enterprise Management Co., Ltd. (四川鼎輝榮和企業管理有限公司), which is wholly-owned by Mr. Wang Dehui, is the general partner of the Employee Shareholding Platforms Zhongcheng Jinyi and Tongchuang Deheng, which held 9,131,572 Shares and 1,654,713 Shares, respectively, as at 30 June 2026, and he exercises the voting rights of the shares of the Company in a concerted manner.

(6) Mr. Yao Hailong, Mr. Zeng Min, Ms. Zhu Hui, Ms. Gong Shuang and Ms. Zhou Zhexu held economic interest in the Employee Shareholding Platforms, Zhongcheng Jinyi and/or Tongchuang Deheng. They are deemed to be interested in the issued share capital of the Company for the Shares underlying the awards which have been granted to them pursuant to Part XV of the SFO.

Save as disclosed above, as at 30 June 2026, none of the Directors, Supervisors or chief executives or their associates have or are deemed to have any interests and short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning as defined in Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions which they were taken or deemed to have under such provisions of the SFO), or pursuant to section 352 of the SFO, required to be entered in the register referred therein, or otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES

To the best knowledge of the Company, as of 30 June 2026, the following persons (other than the Directors, Supervisors and chief executive of the Company) who are, directly or indirectly, interested in 5% or more of the nominal value of any class of our share capital had interests or short positions in the Shares or underlying Shares of our Company which are required to be disclosed to our Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or interests or short positions which are required to be entered in the register pursuant to Section 336 of SFO:

Shareholder	Nature of interest	Description of Shares	Number of Shares held[1]	Approximate percentage of shareholding in the relevant Shares (%)[2]	Approximate percentage of shareholding in the total share capital of our Company (%)[3]
Dekon Holding[4]	Beneficial Owner	Domestic Shares	119,400,900 (L)	51.62	30.70
		H Shares	11,666,269 (L)	7.40	3.00
Ms. Zhang Qiang[5]	Interest of spouse	Domestic Shares	131,316,098 (L)	56.78	33.77
		H Shares	13,967,969 (L)	8.86	3.59
Mr. Chen Yuxin	Beneficial Owner	H Shares	44,184,389 (L)	28.04	11.36
Ms. Zhao Guiqin[6]	Interest of spouse	H Shares	44,184,389 (L)	28.04	11.36
CEL Maiming (光控麥鳴)[7][9]	Beneficial Owner	Domestic Shares	23,412,754 (L)	10.12	6.02
CEL Huiling Investment (Shanghai) Limited (光控匯領投資(上海)有限公司) ("CEL Huiling")[7]	Interest of controlled corporations	Domestic Shares	26,119,521 (L)	11.30	6.72
CEL Venture Capital (Shenzhen) Limited ("CEL Shenzhen")[7]	Interest of controlled corporations	Domestic Shares	33,771,546 (L)	14.60	8.68
China Everbright Limited ("CEL")[7][8]	Interest of controlled corporations	Domestic Shares	33,771,546 (L)	14.60	8.68
Honorich Holdings Limited ("Honorich")[8]	Interest of controlled corporations	Domestic Shares	33,771,546 (L)	14.60	8.68
China Everbright Holdings Company Limited (中國光大集團有限公司) ("CE Hong Kong")[8]	Interest of controlled corporations	Domestic Shares	33,771,546 (L)	14.60	8.68
China Everbright Group Ltd. ("China Everbright Group")[8]	Interest of controlled corporations	Domestic Shares	33,771,546 (L)	14.60	8.68

Shareholder	Nature of interest	Description of Shares	Number of Shares held[1]	Approximate percentage of shareholding in the relevant Shares (%)[2]	Approximate percentage of shareholding in the total share capital of our Company (%)[3]
Central Huijin Investment Ltd. ("Huijin")[8]	Interest of controlled corporations	Domestic Shares	33,771,546 (L)	14.60	8.68
Beijing CEL Anya Investment Centre (Limited Partnership) (北京光控安雅投資中心(有限合夥)) ("CEL Anya")[9]	Interest of controlled corporations	Domestic Shares	23,412,754 (L)	10.12	6.02
Shanghai CEL Jiaxin Equity Investment Management Limited (上海光控嘉鑫股權投資管理有限公司) ("Shanghai CEL")[9]	Interest of controlled corporations	Domestic Shares	23,412,754 (L)	10.12	6.02
CEL Capital Prestige Asset Management Co., Ltd. (首譽光控資產管理有限公司) ("CEL Capital")[9]	Investment manager	Domestic Shares	23,412,754 (L)	10.12	6.02
Chongqing CEL Enterprise Management Advisory Limited (formerly known as Chongqing CEL Equity Investment Management Limited) (重慶光控企業管理諮詢有限公司(前稱:重慶光控股權投資管理有限公司)) ("Chongqing CEL")[9]	Interest of controlled corporations	Domestic Shares	23,412,754 (L)	10.12	6.02
Yixing CEL[7][9]	Beneficial Owner	Domestic Shares	7,652,025 (L)	3.31	1.97
	Interest of controlled corporations	Domestic Shares	23,412,754 (L)	10.12	6.02
Ms. Liu Yuanfeng	Beneficial Owner	Domestic Shares	16,879,280 (L)	7.30	4.34

Notes:

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

(1) The letter "L" denotes the person's long position in our Shares.

(2) The calculation is based on the percentage of shareholding in Domestic Shares or H Shares respectively as at 30 June 2026.

(3) The calculation is based on the total number of 388,875,636 Shares (including 231,287,182 Domestic Shares and 157,588,454 H Shares) in issue as at 30 June 2026.

(4) Dekon Holding is wholly-owned by Mr. Wang Degen. By virtue of the SFO, Mr. Wang Degen is deemed to be interested in the Shares held by Dekon Holding.

(5) Ms. Zhang Qiang (張強) is the spouse of Mr. Wang Degen. By virtue of the SFO, Ms. Zhang Qiang is deemed to be interested in the same number of Shares held by Mr. Wang Degen.

(6) Ms. Zhao Guiqin (趙桂琴) is the spouse of Mr. Chen Yuxin (陳育新). By virtue of the SFO, Ms. Zhao Guiqin (趙桂琴) is deemed to be interested in the same number of Shares held by Mr. Chen Yuxin (陳育新).

(7) CEL Huiling is the general partner of CEL Maiming and the general partner of Changzhou Mailun, which held 26,119,521 shares, representing approximately 6.72% of the issued share capital of the Company. CEL Huiling was wholly-owned by CEL Shenzhen, which was in turn wholly-owned by CEL. Yixing CEL, which held 7,652,025 Shares, representing approximately 1.97% of the issued share capital of the Company, was wholly-owned by CEL Shenzhen, which was in turn wholly-owned by CEL. Accordingly, CEL Huiling is deemed to be interested in the Shares held by each of CEL Maiming and Changzhou Mailun, whereas each of CEL Shenzhen and CEL is deemed to be interested in the Shares held by each of CEL Maiming, Yixing CEL and Changzhou Mailun under the SFO.

(8) CEL was owned as to approximately 49.38% by Honorich and 0.36% by Everbright Investment & Management Limited, which were in turn wholly-owned by CE Hong Kong. As such, CEL was owned as to approximately 49.74% by CE Hong Kong, which was in turn wholly-owned by China Everbright Group. China Everbright Group was owned as to approximately 63.16% by Huijin, which was indirectly wholly-owned by the State Council of the People's Republic of China. Accordingly, each of CEL, Honorich, CE Hong Kong, China Everbright Group and Huijin is deemed to be interested in the Shares held by each of related controlled corporations under the SFO.

(9) CEL Anya is a limited partnership holding approximately 40.82% of the limited partnership interest in CEL Maiming. The general partner of CEL Anya is Shanghai CEL, holding approximately 0.02% of the interest. CEL Capital is a special asset management company and a limited partner of CEL Anya, holding approximately 99.98% of its limited partnership interest. Shanghai CEL was wholly-owned by Chongqing CEL, which was in turn wholly-owned by Yixing CEL. Accordingly, each of CEL Anya, CEL Capital, Shanghai CEL, Chongqing CEL and Yixing CEL is deemed to be interested in the Shares held by CEL Maiming under the SFO.

Save as disclosed above, as at 30 June 2026, the Company has not been notified by any persons who have interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

Pursuant to the share repurchase mandate granted by the Shareholders to the Board at the annual general meeting held on 22 April 2025, the Company conducted on-market repurchases on the Stock Exchange during the Reporting Period, repurchasing an aggregate of 1,890,200 H Shares of the Company at an aggregate consideration of HK$125,481,819.97 (excluding commissions and other transaction fees), with the repurchase price ranging from HK$61.55 to HK$73.95 per Share. The total number of H Shares repurchased during the period represented approximately 1.475979% of the H Shares of the Company in issue as at the date of the passing of the share repurchase mandate at the annual general meeting held on 22 April 2025. All of the aforementioned repurchased shares 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.

Month of repurchase	Number of shares repurchased	Purchase price per share: Highest price paid HK$	Purchase price per share: Lowest price paid HK$	Total consideration paid 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.

AUDIT COMMITTEE AND REVIEW OF INTERIM FINANCIAL INFORMATION

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. As at the date of this interim report, the Audit Committee comprises three members, namely Mr. Chan Yuk Tong, Ms. Liu Shan and Mr. Zhu Qing. The Audit Committee consists of two independent non-executive Directors, namely Mr. Chan Yuk Tong and Mr. Zhu Qing, and one non-executive Director, namely Ms. Liu Shan. Mr. Chan Yuk Tong is the chairman of the Audit Committee.

The Audit Committee has reviewed the Company's interim report and unaudited interim financial information for the six months ended 30 June 2026, and confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made. The interim financial report for the six months ended 30 June 2026 is unaudited, but has been reviewed by KPMG Huazhen LLP, the independent auditor of the Company, in accordance with the Standards on Review Engagements for Certified Public Accountants issued by the Chinese Institute of Certified Public Accountants.

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. Accordingly, the minimum public float applicable to the Company is 17.00%.

The Company completed the Full Circulation of the H Shares on 13 June 2025, pursuant to which a batch of Domestic Shares were converted into H Shares. In addition, on 10 November 2025, the Company submitted another application to the CSRC in respect of the conversion of another batch of Domestic Shares into H Shares. As of the date of this interim report, the Full Circulation of such H Shares has not yet been completed, and the relevant application is still in progress. Based on the publicly available information of the Company and to the best knowledge of the Directors, the Directors confirmed that the Company has maintained the minimum public float as required by the Listing Rules and the above waiver granted by the Stock Exchange to the Company during the Reporting Period and up to the date of this interim report.

CHANGES IN INFORMATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The changes in information of Directors, Supervisors and senior management during the Reporting Period and up to the date of this interim report are set out below:

1. Mr. Fung Che Wai ceased to be an Independent Non-executive Director on 11 February 2026. Mr. Fung Che Wai ceased to be the chairman of the Audit Committee and a member of the Remuneration Committee on the same date.

2. Mr. Chan Yuk Tong was appointed as an Independent Non-executive Director on 11 February 2026 and has been appointed as the chairman of the Audit Committee and a member of the Remuneration Committee with effect from the same date.

Save as disclosed in this interim report, there were no changes in information of Directors, Supervisors and senior management of the Company that are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CONTINUING DISCLOSURE OBLIGATION PURSUANT TO THE LISTING RULES

Save as disclosed in this interim report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

INTERIM DIVIDEND

The Board resolved not to declare an 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 three years following the 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$78.8 million, 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 broilers 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.

INDEPENDENT REVIEW REPORT

Shareholders of Dekon Food and Agriculture Group,

We have reviewed the accompanying interim financial statements of Dekon Food and Agriculture Group ("Dekon"), which comprise the consolidated and company balance sheets as at 30 June 2026, the consolidated and company income statements, the consolidated and company statement of cash flows, and the consolidated and company statement of changes in shareholders' equity for the period from 1 January 2026 to 30 June 2026 and relevant notes to the financial statements. The management of Dekon is responsible for the preparation of the interim financial statements in accordance with the Accounting Standards for Business Enterprises ("ASBE") No. 32 — Interim Financial Reports issued by the Ministry of Finance of the People's Republic of China. Our responsibility is to issue our review report on these interim financial statements based on our review.

We conducted our review in accordance with China Standard on Review No. 2101 — Engagements to Review Financial Statements. The standard requires us to plan and conduct a review to obtain limited assurance as to whether the interim financial statements are free of material misstatement. A review is limited primarily to inquiries of personnel of Dekon and performing analytical procedures on the financial data. A review provides less assurance than an audit. We have not performed an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned interim financial statements of Dekon have not been prepared in accordance with the Accounting Standards for Business Enterprises No. 32 — Interim Financial Reporting, in all material respects.

KPMG Huazhen LLP

Chinese Certified Public Accountant
Guo Chengzhuan (郭成專) (Engagement Partner)

Beijing, PRC

Guan Yufeng (關玉鋒)
18 August 2026

CONSOLIDATED BALANCE SHEETS

	Note	30 June 2026	31 December 2025
Assets			
Current assets			
Cash at bank and on hand	V.1	5,097,702,760.28	4,589,389,894.60
Financial assets held for trading	V.2	—	151,208,630.14
Derivative financial assets	V.3	30,676,640.00	51,970,039.34
Trade receivables	V.4	45,835,498.51	44,019,055.29
Prepayments	V.5	490,712,404.97	234,391,549.69
Other receivables	V.6	200,112,416.70	158,672,749.88
Inventories	V.7	6,503,427,911.28	6,178,111,170.60
Other current assets	V.8	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	V.9	32,779,144.66	33,303,813.83
Fixed assets	V.10	6,911,170,589.55	7,047,533,438.27
Construction in progress	V.11	719,579,876.75	632,184,957.67
Productive biological assets	V.12	1,680,651,191.13	1,484,116,469.79
Right-of-use assets	V.13	2,229,339,114.66	2,240,615,346.05
Intangible assets	V.14	382,118,998.44	282,022,348.35
Goodwill	V.15	14,729,743.72	14,729,743.72
Long-term deferred expenses	V.16	57,405,592.25	63,580,813.83
Deferred tax assets		322,437.47	18,967.40
Other non-current assets	V.17	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

The accompanying notes to the financial statements are an integral part of these financial statements.

	Note	30 June 2026	31 December 2025
Liabilities and shareholders' equity			
Current liabilities:			
Short-term borrowings	V.18	2,068,110,000.00	480,000,000.00
Derivative financial liabilities	V.3	90,682,800.39	23,442,923.01
Trade payables	V.19	2,799,462,613.02	2,507,237,897.07
Contract liabilities	V.20	138,841,114.11	105,034,041.70
Employee benefits payable	V.21	249,865,630.36	347,541,521.89
Taxes payable	IV.(4)	11,284,478.39	11,210,979.23
Other payables	V.23	5,184,153,152.60	4,370,889,026.20
Non-current liabilities due within one year	V.22	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	V.24	2,384,140,187.78	2,585,692,361.13
Lease liabilities	V.25	2,810,137,727.68	2,757,096,229.15
Long-term payables	V.26	—	9,376,579.27
Deferred income	V.27	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

The accompanying notes to the financial statements are an integral part of these financial statements.

CONSOLIDATED BALANCE SHEETS

	Note	30 June 2026	31 December 2025
Shareholders' equity:			
Share capital	V.28	388,875,636.00	388,875,636.00
Capital reserve	V.29	2,231,264,454.24	2,245,986,442.45
Less: Treasury shares	V.30	219,354,194.93	108,110,464.50
Other comprehensive income		(380,411.64)	(169,302.68)
Surplus reserve	V.31	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

These financial statements were approved by the board of directors on 18 August 2026.

The accompanying notes to the financial statements are an integral part of these financial statements.

These financial statements and notes have been signed by the following responsible persons:

Mr. YAO Hailong (姚海龍) *Legal representative*	Mr. JIANG Yongjun (蔣勇君) *Principal in charge of accounting*	Chen Yanru (陳彥如) *Head of accounting department*

BALANCE SHEETS OF THE PARENT COMPANY

	Note	30 June 2026	31 December 2025
Assets			
Current assets			
Cash at bank and on hand		4,104,578,850.36	3,617,753,978.78
Financial assets held for trading		—	151,208,630.14
Derivative financial assets		28,485,280.00	50,783,879.34
Prepayments		658,401.54	490,585.06
Trade receivables		196,801.91	—
Other receivables	XII.1	7,110,558,544.69	6,251,442,235.04
Inventories		1,225,831.75	1,329,865.57
Other current assets		—	11,966.33
Total current assets		11,245,703,710.25	10,073,021,140.26
Non-current assets			
Long-term equity investments	XII.2	732,443,339.20	711,120,132.71
Fixed assets		13,870,982.33	15,009,530.73
Construction in progress		35,006,357.71	24,497,942.69
Right-of-use assets		4,582,461.41	24,576,715.30
Intangible assets		6,693,618.57	6,289,558.06
Other non-current assets	XII.3	386,709,242.88	266,499,242.88
Total non-current assets		1,179,306,002.10	1,047,993,122.37
Total assets		12,425,009,712.35	11,121,014,262.63

The accompanying notes to the financial statements are an integral part of these financial statements.

BALANCE SHEETS OF THE PARENT COMPANY

	Note	30 June 2026	31 December 2025
Liabilities and shareholders' equity			
Current liabilities			
Short-term borrowings		1,894,990,000.00	450,000,000.00
Derivative financial liabilities		86,417,540.88	17,150,484.96
Bills payable		—	300,000.00
Contract liabilities		92,000.00	—
Employee benefits payable		44,392,156.68	60,797,726.93
Taxes payable		1,306,592.40	1,192,157.12
Other payables	XII.4	3,985,006,128.69	5,459,459,126.02
Non-current liabilities due within one year		321,667,229.87	73,307,754.97
Total current liabilities		6,333,871,648.52	6,062,207,250.00
Non-current liabilities			
Long-term borrowings		1,980,260,000.00	2,039,860,000.00
Lease liabilities		1,523,410.47	19,201,223.52
Deferred income		14,910,298.56	19,089,097.69
Total non-current liabilities		1,996,693,709.03	2,078,150,321.21
Total liabilities		8,330,565,357.55	8,140,357,571.21

The accompanying notes to the financial statements are an integral part of these financial statements.

	Note	30 June 2026	31 December 2025
Shareholders' equity:			
Share capital		388,875,636.00	388,875,636.00
Capital reserve		1,813,108,231.26	1,813,108,231.26
Less: Treasury shares		219,354,194.93	108,110,464.50
Surplus reserve		194,437,818.00	162,910,245.33
Retained earnings		1,917,376,864.47	723,873,043.33
Total shareholders' equity		4,094,444,354.80	2,980,656,691.42
Total liabilities and shareholders' equity		12,425,009,712.35	11,121,014,262.63

These financial statements were approved by the board of directors on 18 August 2026.

The accompanying notes to the financial statements are an integral part of these financial statements.

These financial statements and notes have been signed by the following responsible persons:

Mr. YAO Hailong (姚海龍) *Legal representative*	Mr. JIANG Yongjun (蔣勇君) *Principal in charge of accounting*	Chen Yanru (陳彥如) *Head of accounting department*

CONSOLIDATED INCOME STATEMENT

	Note	For the period ended 30 June 2026	For the period ended 30 June 2025
Revenue	V.33	10,088,738,827.06	11,695,764,006.61
Less: Cost of sales	V.33	10,729,134,240.91	9,552,880,909.04
Taxes and surcharges	V.34	19,378,086.40	17,963,932.83
Selling expenses	V.35	49,593,701.03	45,402,351.25
Administrative expenses	V.36	579,066,357.52	660,497,851.36
Research and development expenses	V.37	114,977,348.41	120,700,823.40
Finance costs	V.38	115,890,662.76	139,600,098.62
Add: Other income	V.39	54,373,655.05	47,995,203.32
Investment income	V.40	496,663,930.13	68,192,240.27
Losses from changes in fair value	V.41	(92,248,913.02)	(37,974,098.78)
Credit impairment (losses)/reversal	V.42	(194,420.41)	2,531,341.72
Asset impairment losses	V.43	(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	V.44	5,516,217.08	3,646,086.94
Less: Non-operating expenses	V.44	52,574,012.49	14,622,462.59
Total (loss)/profit		(1,303,823,202.33)	1,226,688,801.79
Less: Income tax expenses	V.45	1,401,487.85	4,753.26
Net (loss)/profit		(1,305,224,690.18)	1,226,684,048.53

The accompanying notes to the financial statements are an integral part of these financial statements.

	Note	For the period ended 30 June 2026	For the period ended 30 June 2025
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) Loss or 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	V.46	(3.00)	3.02
(2) Diluted earnings per share	V.46	(3.00)	3.02

The accompanying notes to the financial statements are an integral part of these financial statements.

INCOME STATEMENT OF THE PARENT COMPANY

	Note	For the period ended 30 June 2026	For the period ended 30 June 2025
Revenue	XII. 5	13,012,161.68	15,882,033.82
Less: Cost of sales	XII. 5	250,649.57	2,433,282.41
Taxes and surcharges		246,224.02	307,851.94
Selling expenses		1,152,668.72	1,329,620.39
Administrative expenses		113,214,801.58	126,534,259.28
Research and development expenses		32,277,192.97	25,929,974.87
Net finance income		(50,008,285.18)	(36,277,903.47)
Add: Other income		5,590,803.40	2,947,807.34
Investment income	XII. 6	1,454,349,689.65	73,322,735.95
Losses from changes in fair value		(90,656,051.81)	(33,504,656.68)
Credit impairment losses		(59,168,171.90)	(50,390,133.01)
Operating profit/(loss)		1,225,995,179.34	(111,999,298.00)
Add: Non-operating income		243,927.81	85,563.22
Less: Non-operating expenses		1,207,713.34	32,590.17
Total profit/(loss)		1,225,031,393.81	(111,946,324.95)
Less: Income tax expenses		—	—
Net profit/(loss)		1,225,031,393.81	(111,946,324.95)
Total comprehensive income, net after tax		—	—
Total comprehensive income		1,225,031,393.81	(111,946,324.95)

The accompanying notes to the financial statements are an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

	Note	For the period ended 30 June 2026	For the period ended 30 June 2025
Cash flow from operating activities:			
Cash received from sales of goods and rendering of services		10,468,815,779.94	11,956,745,423.07
Cash received relating to other operating activities		696,969,576.12	226,432,206.68
Subtotal of cash inflows from operating activities		11,165,785,356.06	12,183,177,629.75
Cash paid for goods and services		10,587,445,466.15	8,856,249,548.63
Cash paid to and on behalf of employees		854,370,523.15	966,761,613.27
Cash paid for various types of taxes		26,208,861.41	20,948,655.55
Cash paid relating to other operating activities		292,443,172.04	600,307,092.64
Subtotal of cash outflows from operating activities		11,760,468,022.75	10,444,266,910.09
Net cash flow (used in)/generated from operating activities	V.47	(594,682,666.69)	1,738,910,719.66
Cash flows from investing activities:			
Cash received from disposal of investments		1,147,492,993.84	5,966,459,562.31
Cash received from return on investments		505,943,880.12	74,871,437.03
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		165,031.25	411,958.90
Net cash received from disposal of subsidiaries and other business units		400,000.00	—
Subtotal of cash inflows from investing activities		1,654,001,905.21	6,041,742,958.24
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		934,026,259.87	666,787,999.34
Cash paid for acquisition of investments		1,000,000,000.00	5,808,650,000.00
Cash paid relating to other investing activities		19,704,467.44	—
Subtotal of cash outflows from investing activities		1,953,730,727.31	6,475,437,999.34
Net cash flows used in investing activities		(299,728,822.10)	(433,695,041.10)

The accompanying notes to the financial statements are an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

	Note	For the period ended 30 June 2026	For the period ended 30 June 2025
Cash flows from financing activities:			
Cash received from absorption of investments		3,000,000.00	500,000.00
Including: cash received from absorption of investment from non-controlling interests by subsidiaries		3,000,000.00	500,000.00
Cash received from borrowings		5,808,399,976.57	3,876,502,860.37
Subtotal of cash inflows from financing activities		5,811,399,976.57	3,877,002,860.37
Cash paid for debt repayments		4,287,229,155.01	4,120,271,032.79
Cash paid for distribution of dividends and profits or payment of interest		75,218,529.57	416,556,010.40
Including: profits paid to non-controlling interests for distribution of dividends or profits by subsidiaries		—	—
Cash paid relating to other financing activities		264,746,664.13	82,510,841.54
Subtotal of cash outflows from financing activities		4,627,194,348.71	4,619,337,884.73
Net cash flows generated from/(used in) financing activities		1,184,205,627.86	(742,335,024.36)
Effect of changes in exchange rate on cash and cash equivalents		(526,954.83)	390,014.23
Net increase in cash and cash equivalents	V.47	289,267,184.24	563,270,668.43
Add: Balance of cash and cash equivalents at the beginning of the period		4,333,539,252.61	4,491,952,037.92
Balance of cash and cash equivalents at the end of the period	V.47	4,622,806,436.85	5,055,222,706.35

The accompanying notes to the financial statements are an integral part of these financial statements.

CASH FLOW STATEMENT OF THE PARENT COMPANY

	Note	For the period ended 30 June 2026	For the period ended 30 June 2025
Cash flow from operating activities:			
Cash received from sales of goods and rendering of services		12,897,328.35	19,381,630.87
Cash received relating to other operating activities		101,192,184.04	488,102,970.96
Subtotal of cash inflows from operating activities		114,089,512.39	507,484,601.83
Cash paid for goods and services		36,979,647.28	34,480,975.11
Cash paid to and on behalf of employees		97,970,710.19	145,853,514.48
Cash paid for various types of taxes		111,440.37	2,320,342.92
Cash paid relating to other operating activities		357,933,595.69	19,400,922.10
Subtotal of cash outflows from operating activities		492,995,393.53	202,055,754.61
Net cash flow (used in)/generated from operating activities	XII.7	(378,905,881.14)	305,428,847.22
Cash flows from investing activities:			
Cash received from disposal of investments		1,152,118,233.59	5,967,081,545.43
Cash received from return on investments		1,455,226,483.16	73,726,708.83
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		837,414.80	7,084,449.29
Subtotal of cash inflows from investing activities		2,608,182,131.55	6,047,892,703.55
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		15,086,653.31	19,066,032.73
Cash paid for acquisition of investments		3,471,489,758.31	5,624,625,892.01
Subtotal of cash outflows from investing activities		3,486,576,411.62	5,643,691,924.74
Net cash flows (used in)/generated from investing activities		(878,394,280.07)	404,200,778.81

The accompanying notes to the financial statements are an integral part of these financial statements.

CASH FLOW STATEMENT OF THE PARENT COMPANY

	Note	For the period ended 30 June 2026	For the period ended 30 June 2025
Cash flows from financing activities:			
Cash received from borrowings		2,324,970,000.00	3,751,084,314.00
Subtotal of cash inflows from financing activities		2,324,970,000.00	3,751,084,314.00
Cash paid for debt repayments		689,500,000.00	3,437,881,527.00
Cash paid for distribution of dividends and profits or payment of interest		51,994,298.86	381,351,675.10
Cash paid relating to other financing activities		113,468,024.59	1,882,232.27
Subtotal of cash outflows from financing activities		854,962,323.45	3,821,115,434.37
Net cash flows generated from/(used in) financing activities		1,470,007,676.55	(70,031,120.37)
Effect of changes in exchange rate on cash and cash equivalents		(624,189.91)	(26,038.20)
Net increase in cash and cash equivalents	XII.7	212,083,325.43	639,572,467.46
Add: Balance of cash and cash equivalents at the beginning of the period		3,499,786,847.10	3,306,229,504.14
Balance of cash and cash equivalents at the end of the period	XII.7	3,711,870,172.53	3,945,801,971.60

The accompanying notes to the financial statements are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Attributable to shareholders of the parent company								
	Note	Share capital	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve	Retained earnings	Subtotal	Non-controlling interests	Total shareholders' equity
Balance at 1 January 2026		388,875,636.00	2,245,986,442.45	108,110,464.50	(169,302.68)	162,910,245.33	6,165,280,077.84	8,854,772,634.44	72,838,709.86	8,927,611,344.30
Increase/(decrease) for the period										
1. Total comprehensive income		—	—	—	(211,108.96)	—	(1,158,779,353.45)	(1,158,990,462.41)	(146,445,336.73)	(1,305,435,799.14)
2. Shareholders' contributions and decrease of capital										
— Capital contribution by shareholders		—	—	—	—	—	—	—	3,000,000.00	3,000,000.00
— Purchase of own shares	V. 30	—	—	111,243,730.43	—	—	—	(111,243,730.43)	—	(111,243,730.43)
— Acquisition of non-controlling interest		—	(14,721,988.21)	—	—	—	—	(14,721,988.21)	(12,158,011.80)	(26,880,000.01)
— Others		—	—	—	—	—	—	—	(9,616,263.45)	(9,616,263.45)
3. Profit distribution										
— Appropriation of surplus reserve		—	—	—	—	31,527,572.67	(31,527,572.67)	—	—	—
— Distribution to shareholders	V. 32	—	—	—	—	—	—	—	—	—
Subtotal of items 1 to 3 above		—	(14,721,988.21)	111,243,730.43	(211,108.96)	31,527,572.67	(1,190,306,926.12)	(1,284,956,181.05)	(165,219,611.98)	(1,450,175,793.03)
Balance at 30 June 2026		388,875,636.00	2,231,264,454.24	219,354,194.93	(380,411.64)	194,437,818.00	4,974,973,151.72	7,569,816,453.39	(92,380,902.12)	7,477,435,551.27

The accompanying notes to the financial statements are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Attributable to shareholders of the parent company								
	Note	Share capital	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve	Retained earnings	Subtotal	Non-controlling interests	Total shareholders' equity
Balance at 1 January 2025		388,875,636.00	2,245,558,795.97	—	—	162,910,245.33	5,082,018,795.22	7,879,363,472.52	118,989,581.75	7,998,353,054.27
Increase/(decrease) for the period										
1. Total comprehensive income		—	—	—	(106,911.39)	—	1,174,124,899.83	1,174,017,988.44	52,559,148.70	1,226,577,137.14
2. Shareholders' contributions and decrease of capital										
— Capital contribution by shareholders		—	—	—	—	—	—	—	500,000.00	500,000.00
— Purchase of own shares	V. 30	—	—	—	—	—	—	—	—	—
— Acquisition of non-controlling interest		—	427,646.48	—	—	—	—	427,646.48	(2,813,039.30)	(2,385,392.82)
3. Profit distribution										
— Distribution to shareholders	V. 32	—	—	—	—	—	(349,988,072.40)	(349,988,072.40)	—	(349,988,072.40)
Subtotal of items 1 to 3 above		—	427,646.48	—	(106,911.39)	—	824,136,827.43	824,457,562.52	50,246,109.40	874,703,671.92
Balance at 30 June 2025		388,875,636.00	2,245,986,442.45	—	(106,911.39)	162,910,245.33	5,906,155,622.65	8,703,821,035.04	169,235,691.15	8,873,056,726.19

The accompanying notes to the financial statements are an integral part of these financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY OF THE PARENT COMPANY

	Share capital	Capital reserve	Less: Treasury shares	Surplus reserve	Retained earnings	Total shareholders' equity
Balance at 1 January 2026	388,875,636.00	1,813,108,231.26	108,110,464.50	162,910,245.33	723,873,043.33	2,980,656,691.42
Increase/(decrease) for the period						
1. Total comprehensive income	—	—	—	—	1,225,031,393.81	1,225,031,393.81
2. Shareholders' contributions and decrease of capital						
— Purchase of own shares	—	—	111,243,730.43	—	—	(111,243,730.43)
3. Profit distribution						
— Appropriation of surplus reserve	—	—	—	31,527,572.67	(31,527,572.67)	—
Subtotal of items 1 to 3 above	—	—	111,243,730.43	31,527,572.67	1,193,503,821.14	1,113,787,663.38
Balance at 30 June 2026	388,875,636.00	1,813,108,231.26	219,354,194.93	194,437,818.00	1,917,376,864.47	4,094,444,354.80

The accompanying notes to the financial statements are an integral part of these financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY OF THE PARENT COMPANY

	Share capital	Capital reserve	Less: Treasury shares	Surplus reserve	Retained earnings	Total shareholders' equity
Balance at 1 January 2025	388,875,636.00	1,813,108,231.26	—	162,910,245.33	1,145,211,790.08	3,510,105,902.67
Increase/(decrease) for the period						
1. Total comprehensive income	—	—	—	—	(111,946,324.95)	(111,946,324.95)
2. Shareholders' contributions and decrease of capital						
— Purchase of own shares	—	—	—	—	—	—
3. Profit distribution						
— Distribution to shareholders	—	—	—	—	(349,988,072.40)	(349,988,072.40)
Subtotal of items 1 to 3 above	—	—	—	—	(461,934,397.35)	(461,934,397.35)
Balance at 30 June 2025	388,875,636.00	1,813,108,231.26	—	162,910,245.33	683,277,392.73	3,048,171,505.32

The accompanying notes to the financial statements are an integral part of these financial statements.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

I. BASIC INFORMATION OF THE COMPANY

四川德康農牧食品集團股份有限公司 (Dekon Food and Agriculture Group) (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 (the "Group") 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, ingredients and others.

The scope of consolidation of the consolidated financial statements was determined based on control and the changes in the period are set out in note VI.

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Company prepared its financial statements on a going concern basis.

(1) Statement of Compliance with ASBE

These interim financial statements were prepared in compliance with the requirements of the Accounting Standards for Business Enterprises No. 32 — Interim Financial Reports issued by the Ministry of Finance of the People's Republic of China ("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.

These interim financial statements include selected explanatory notes, which are intended to assist in understanding the significant events and transactions that have affected the Group's financial position and performance since the financial statements in year 2025. These selected notes do not include all of the information and disclosures required by the ASBE for the preparation of a complete set of financial statements, and therefore should be read in conjunction with the Group's financial statements for year 2025.

(2) Accounting Year

The accounting year of the Group begins on 1 January and ends on 31 December of a calendar year.

(3) Functional Currency and Presentation Currency

The Company's functional currency is Renminbi and these financial statements are presented in Renminbi. Functional currency is determined by the Company and its subsidiaries on the basis of the currency in which major income and costs are denominated and settled.

III. SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies adopted in these interim financial statements are consistent with those adopted by the Group in preparing the 2025 annual financial statements.

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.

IV. TAXATION

(1) Main type of taxes and corresponding tax rates

Type of tax	Tax basis
Value added tax	Output VAT is calculated at 13%, 9%, 6%, 5%, 3% and 1% of product sales and taxable services revenue according to taxation laws. The remaining balance of output VAT, after subtracting the deductible input VAT of the period, is VAT payable
City maintenance and construction tax	Based on 7%, 5% and 1% of the VAT effectively paid
Education surcharges	Based on 3% of the VAT effectively paid
Local education surcharges	Based on 2% of the VAT effectively paid

(2) Income tax

The Company is subject to statutory tax rate of 25% during the period (Corresponding period in 2025: 25%).

Except for the subsidiaries listed below, the income tax rate for the remaining subsidiaries of the Company for the current year is 25% (Corresponding period in 2025: 25%).

IV. TAXATION — *continued*

(2) Income tax — *continued*

Notes to disclosure of enterprises with different enterprise income tax rates:

Taxpayer	Note	Income tax rate
Dekon International Development Co., Ltd. (德康國際發展有限公司)	(1)	16.5%
Desheng Xinkang International Development Co., Ltd. (德盛鑫康國際發展有限公司)	(1)	16.5%

Note:

(1) During the Reporting Period, Dekon International Development Co., Ltd. (德康國際發展有限公司) and Desheng Xinkang International Development Co., Ltd. (德盛鑫康國際發展有限公司) are subject to income tax rate of 16.50% under the relevant laws and regulations of Hong Kong.

Pursuant to the Enterprise Income Tax Law of the PRC and the Implementation Regulations for the Enterprise Income Tax Law of the PRC, income of the Company and its subsidiaries derived from livestock husbandry and poultry farming, as well as hog slaughtering, is exempted from enterprise income tax.

(3) Preferential tax treatments of VAT

Pursuant to the Provisional Regulations of the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例》) amended and adopted by the 34th executive meeting of the State Council on 5 November 2008, the self-produced agricultural products sold by the Company and its subsidiaries are exempted from VAT.

Pursuant to the Announcement of the State Administration of Taxation on Issues Concerning Value-Added Tax for Taxpayers Adopting the "Company + Farmer" Business Model to Sell Livestock and Poultry (《國家稅務總局關於納稅人採取"公司+農戶"經營模式銷售畜禽有關增值稅問題的公告》(Announcement No. 8 of 2013 of the State Administration of Taxation) which came into effect on 1 April 2013, the Company and its subsidiaries adopt the "company + farmer" business model to engage in livestock and poultry breeding. That is, the Company and its subsidiaries sign a consignment breeding contract with farmers, providing them with livestock and poultry seedlings, feed, veterinary drugs, vaccines, etc. (the ownership belongs to the Company). After farmers raise the livestock and poultry seedlings until they are finished products, these products will be delivered to the Company and its subsidiaries for recovery. The Company and its subsidiaries then use the recovered finished livestock and poultry for sale. Under the aforementioned business model, when the company and its subsidiaries recover and resell livestock and poultry, it falls under the category of agricultural producers selling self-produced agricultural products, which shall be exempt from value-added tax in accordance with the relevant provisions of the Provisional Regulations of the People's Republic of China on Value-Added Tax. Meanwhile, when the poultry and egg products produced and sold by the company and its subsidiaries fall within the scope of self-produced and self-marketed agricultural products, they can enjoy the preferential value-added tax exemption.

According to the provisions of the Notice of the Ministry of Finance and the State Administration of Taxation on the Exemption of Value-Added Tax for Feed Products (Caishui [2001] No. 121) (《財政部、國家稅務總局關於飼料產品免征增值稅問題的通知》(財稅[2001] 121號)), the company and its subsidiaries are exempt from value-added tax when selling qualified feed and premix products.

IV. TAXATION — *continued*

(4) Taxes payable

	The Group	
	30 June 2026	31 December 2025
Individual income tax	5,091,932.04	4,866,120.67
Stamp duty	3,560,306.94	3,872,401.10
Value-added tax	1,365,467.59	412,404.74
Land use tax	460,198.37	367,545.79
Enterprise income tax	13,463.82	780,269.82
Urban maintenance and construction tax	16,101.18	11,111.94
Education surcharge	7,506.07	5,413.11
Local education surcharge	4,842.21	3,443.62
Other taxes	764,660.17	892,268.44
Total	11,284,478.39	11,210,979.23

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

1 Cash at bank and on hand

	The Group	
	30 June 2026	31 December 2025
Bank deposits	1,627,869,004.07	1,245,513,090.67
Other cash and cash equivalents	3,469,833,756.21	3,343,876,803.93
Total	5,097,702,760.28	4,589,389,894.60

The Group's other cash and cash equivalents as at the end of period mainly include large-denomination certificate of deposit which can be withdrawn or transferred and various types of deposits, etc.

Breakdown of restricted cash and cash equivalents in other cash and cash equivalents are as follows:

	The Group	
	30 June 2026	31 December 2025
Options and futures deposits, land reclamation deposits and facility agricultural land filing deposits, etc.	474,896,323.43	255,850,641.99

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS — *continued*

2 Financial assets held for trading

	The Group	
	30 June 2026	31 December 2025
Financial assets measured at fair value through profit or loss	—	151,208,630.14
Including: wealth management products	—	151,208,630.14
Total	—	151,208,630.14

3 Derivative financial assets/(debts)

	The Group	
	30 June 2026	31 December 2025
Derivative financial assets:		
Futures contracts	30,676,640.00	50,887,440.00
Options contracts	—	1,082,599.34
Total	30,676,640.00	51,970,039.34
Derivative financial liabilities:		
Futures contracts	(87,856,818.79)	(15,823,720.00)
Options contracts	(2,825,981.60)	(7,619,203.01)
Total	(90,682,800.39)	(23,442,923.01)

The Group has entered into live hog, corn and soybean meal future contracts and options contracts to manage the future price risk in live hog, corn and soybean meal. These futures and options contracts are measured at fair value.

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS — *continued*

4 Trade receivables

(1) The analysis of trade receivables by customer is as follows:

	The Group	
	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 Group sells products such as pigs, poultry and fresh pork in Chinese Mainland, and revenue is recognised upon the transfer of control over the goods or services. Credit terms vary depending on different business segments. For the vast majority of the Group's sales, customers are required to pay the full amount in advance, with only a small portion of transactions on credit terms of within 180 days after delivery.

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS — *continued*

4 Trade receivables — *continued*

(2) The analysis of trade receivables by ageing is as follows:

	The Group	
	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

The ageing of trade receivables is calculated from the recognition date.

(3) Assessment on expected credit losses of trade receivables:

The Group has always measured the provision for impairment of trade receivables based on the amount equivalent to the expected credit loss during the entire lifetime and its expected credit loss is calculated based on the comparison table of ageing and expected credit loss rate. In accordance with the Group's historical experience, there is no significant difference in the losses of different customer segments. Therefore, the Group does not further distinguish different customer groups when calculating the provision for impairment in accordance with ageing information.

(4) The movements of bad debt provision are as follows:

	The Group	
	30 June 2026	31 December 2025
Balance at the beginning of the period/year	727,658.73	294,581.38
Provision for the period/year	295,465.90	433,077.35
Balance at the end of the period/year	1,023,124.63	727,658.73

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS — *continued*

5 Prepayments

(1) The analysis of prepayments by category is as follows:

	Group	
	30 June 2026	31 December 2025
Advances to suppliers	308,148,655.70	162,246,931.10
Other expenses	182,563,749.27	72,144,618.59
Total	490,712,404.97	234,391,549.69

(2) The analysis of prepayments by ageing is as follows:

	Group	
	30 June 2026	31 December 2025
Within 1 year (including 1 year)	480,129,390.20	227,005,567.87
Over 1 year	10,583,014.77	7,385,981.82
Total	490,712,404.97	234,391,549.69

The ageing of prepayments is calculated from the recognition date.

6 Other receivables

		Group	
	Note	30 June 2026	31 December 2025
Interest receivable		73,732,425.82	71,404,609.46
Other	(1)	126,379,990.88	87,268,140.42
Total		200,112,416.70	158,672,749.88

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS — *continued*

6 Other receivables — *continued*

(1) Others

(a) The analysis by receivables counterparties is as follows:

	Group	
	30 June 2026	31 December 2025
Receivables from related companies	2,006,489.74	19,936.00
Receivables from third-party companies	187,761,611.28	150,737,360.05
Subtotal	189,768,101.02	150,757,296.05
Less: Provision for bad debts	63,388,110.14	63,489,155.63
Total	126,379,990.88	87,268,140.42

(b) The analysis by ageing is as follows:

	Group	
	30 June 2026	31 December 2025
Within 1 year (including 1 year)	116,273,721.77	80,100,392.78
Over 1 year	73,494,379.25	70,656,903.27
Subtotal	189,768,101.02	150,757,296.05
Less: Provision for bad debts	63,388,110.14	63,489,155.63
Total	126,379,990.88	87,268,140.42

The ageing of other receivables is calculated from the recognition date.

(c) The movements of bad debt provision are as follows:

	Group	
	30 June 2026	31 December 2025
Balance at the beginning of the period/year	63,489,155.63	68,526,499.06
Reversal for the period/year	(101,045.49)	(5,037,343.43)
Balance at the end of the period/year	63,388,110.14	63,489,155.63

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS — *continued*

7 Inventories

(1) The Group's analysis by inventory category is as follows:

	The Group	
	30 June 2026	31 December 2025
Consumptive biological assets	**5,814,259,310.92**	5,436,974,669.26
Raw materials	**678,376,556.09**	624,219,927.10
Inventory goods	**113,239,198.10**	69,200,535.36
Turnover materials and low value consumables	**87,414,398.70**	76,773,613.33
Subtotal	**6,693,289,463.81**	6,207,168,745.05
Less: Provision for impairment of inventories	**189,861,552.53**	29,057,574.45
Total	**6,503,427,911.28**	6,178,111,170.60

The analysis of provision for impairment of the Group's inventories is as follows:

	The Group				
	Balance as at 1 January 2026	Provision for the period	Decrease in the period		Balance as at 30 June 2026
			Reversal	Write-off	
Inventory goods	7,836,675.45	2,943,233.26	—	7,613,539.89	**3,166,368.82**
Consumptive biological assets	21,220,899.00	186,695,183.71	—	21,220,899.00	**186,695,183.71**
Total	29,057,574.45	189,638,416.97	—	28,834,438.89	**189,861,552.53**

8 Other current assets

	The Group	
	30 June 2026	31 December 2025
Deductible input tax	**133,502,256.75**	120,533,401.47

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS — *continued*

9 Long-term equity investments

	The Group	
	30 June 2026	31 December 2025
Investments in joint ventures	8,716,629.41	—
Investments in associated companies	24,062,515.25	33,303,813.83
Total	32,779,144.66	33,303,813.83

10 Fixed assets

	Buildings	Machinery and equipment	Motor vehicles	Other fixed assets	Total
Cost					
Balance as at 1 January 2026	6,231,694,467.32	3,031,829,321.27	103,415,625.29	628,390,724.81	9,995,330,138.69
Addition during the period	13,004,831.26	14,513,609.37	1,134,101.30	6,705,309.08	35,357,851.01
Transfer from construction in progress	139,564,046.81	55,644,582.23	1,194,100.21	11,113,761.49	207,516,490.74
Decrease during the period	(1,686,416.49)	(92,489,230.95)	(9,840,535.71)	(1,849,431.05)	(105,865,614.20)
Balance as at 30 June 2026	6,382,576,928.90	3,009,498,281.92	95,903,291.09	644,360,364.33	10,132,338,866.24
Less: Accumulated depreciation					
Balance as at 1 January 2026	1,171,734,727.60	1,277,727,765.04	67,437,095.02	430,897,112.76	2,947,796,700.42
Provision for the period	134,271,847.35	148,694,191.84	3,866,971.42	39,444,336.24	326,277,346.85
Write-off of depreciation	(730,100.26)	(45,017,784.99)	(5,718,729.69)	(1,439,155.64)	(52,905,770.58)
Balance as at 30 June 2026	1,305,276,474.69	1,381,404,171.89	65,585,336.75	468,902,293.36	3,221,168,276.69
Carrying amount					
30 June 2026	5,077,300,454.21	1,628,094,110.03	30,317,954.34	175,458,070.97	6,911,170,589.55
1 January 2026	5,059,959,739.72	1,754,101,556.23	35,978,530.27	197,493,612.05	7,047,533,438.27

As of 30 June 2026, the balance of secured borrowings of the Company and its subsidiaries amounted to RMB152,694,573.95 in aggregate. Such borrowings were primarily secured by buildings and machinery and equipment as collateral. The aggregate carrying amount of the pledged assets was RMB231,886,651.44.

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS — *continued*

11 Construction in progress

	Note	The Group 30 June 2026	31 December 2025
Construction in progress	(1)	719,579,876.75	632,184,957.67

(1) Construction in progress

	The Group
Cost	
Balance as at 1 January 2026	632,184,957.67
Addition during the period	301,209,919.02
Transfer to fixed assets during the period	(207,516,490.74)
Transfer to intangible assets during the period	(1,575,251.10)
Decrease during the period	(4,723,258.10)
Balance as at 30 June 2026	719,579,876.75
Carrying amount	
30 June 2026	719,579,876.75

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS — *continued*

12 Productive biological assets

The Group

	Breeding pigs	Chicken breeders	Total
Cost			
Balance as at 1 January 2026	1,705,435,343.33	103,499,171.07	1,808,934,514.40
Increase amount for the period			
— Purchases	8,125,372.84	1,102,209.50	9,227,582.34
— Self-breeding	770,511,032.56	58,803,351.55	829,314,384.11
Decrease amount for the period			
— Disposal	(479,591,495.44)	(56,416,979.41)	(536,008,474.85)
— Others	(58,440,627.53)	(4,678,083.04)	(63,118,710.57)
Balance as at 30 June 2026	**1,946,039,625.76**	**102,309,669.67**	**2,048,349,295.43**
Less: Accumulated depreciation			
Balance as at 1 January 2026	306,060,967.58	18,757,077.03	324,818,044.61
Provision for the period	200,848,319.70	29,427,586.62	230,275,906.32
Write-off of depreciation	(161,602,495.70)	(25,793,350.93)	(187,395,846.63)
Balance as at 30 June 2026	**345,306,791.58**	**22,391,312.72**	**367,698,104.30**
Carrying amount			
30 June 2026	**1,600,732,834.18**	**79,918,356.95**	**1,680,651,191.13**
1 January 2026	1,399,374,375.75	84,742,094.04	1,484,116,469.79

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS — *continued*

13 Right-of-use assets

The Group's lease arrangements as a lessee are set out below:

The Group

	Buildings and land	Machinery and equipment	Total
Original carrying amount			
Balance as at 1 January 2026	2,501,451,968.79	734,383,038.08	3,235,835,006.87
Addition during the period	113,533,978.23	24,407,583.54	137,941,561.77
Decrease during the period	(43,738,913.53)	(569,364.63)	(44,308,278.16)
Balance as at 30 June 2026	**2,571,247,033.49**	**758,221,256.99**	**3,329,468,290.48**
Less: Accumulated depreciation			
Balance as at 1 January 2026	665,865,812.13	329,353,848.69	995,219,660.82
Addition during the period	99,675,539.00	20,141,547.00	119,817,086.00
Decrease during the period	(14,339,380.00)	(568,191.00)	(14,907,571.00)
Balance as at 30 June 2026	**751,201,971.13**	**348,927,204.69**	**1,100,129,175.82**
Carrying amount			
30 June 2026	**1,820,045,062.36**	**409,294,052.30**	**2,229,339,114.66**
1 January 2026	1,835,586,156.66	405,029,189.39	2,240,615,346.05

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS — *continued*

14 Intangible assets

The Group

	Software license	Land use rights	Total
Original carrying amount			
Balance as at 1 January 2026	11,689,870.93	300,209,010.27	311,898,881.20
Purchase during the period	4,490,035.70	117,307,603.90	121,797,639.60
Transfer from construction in progress during the period	1,575,251.10	—	1,575,251.10
Decrease amount for the period	—	(17,827,198.00)	(17,827,198.00)
Balance as at 30 June 2026	**17,755,157.73**	**399,689,416.17**	**417,444,573.90**
Less: Accumulated amortization			
Balance as at 1 January 2026	5,273,917.43	24,602,615.42	29,876,532.85
Increase amount for the period	1,253,952.43	4,195,090.18	5,449,042.61
Balance as at 30 June 2026	**6,527,869.86**	**28,797,705.60**	**35,325,575.46**
Carrying amount			
30 June 2026	**11,227,287.87**	**370,891,710.57**	**382,118,998.44**
1 January 2026	6,415,953.50	275,606,394.85	282,022,348.35

15 Goodwill

	The Group	
	30 June 2026	31 December 2025
Carrying amount	14,729,743.72	14,729,743.72

In 2015, the Group acquired a 50.56% equity interest in Guangdong Wizagricultural Science & Technology Co., Ltd. (廣東智威農業科技股份有限公司) ("Guangdong Zhiwei") at a total consideration of RMB80,808,000.00. The excess of the acquisition cost over the Group's proportionate share of the fair value of Guangdong Zhiwei's identifiable assets and liabilities, amounting to RMB14,729,743.72, was recognized as goodwill related to Guangdong Zhiwei.

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS — *continued*

16 Long-term deferred expenses

	The Group	
	30 June 2026	31 December 2025
Improvement costs of leased assets	57,405,592.25	63,580,813.83

17 Other non-current assets

	The Group	
	30 June 2026	31 December 2025
Amounts due from farmers	81,996,319.20	83,877,667.80
Prepayments for land transferring fees	—	21,695,465.00
Prepayments for engineering equipment	57,292,326.16	19,637,067.40
Others	2,641,247.56	2,864,439.93
Total	141,929,892.92	128,074,640.13

18 Short-term borrowings

	The Group	
	30 June 2026	31 December 2025
Credit borrowings	1,738,110,000.00	480,000,000.00
Pledged borrowings	330,000,000.00	—
Total	2,068,110,000.00	480,000,000.00

As at the end of the period, the Group had no overdue and unpaid short-term borrowings.

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS — *continued*

19 Trade Payables

(1) Trade payables are presented by nature as follows:

	The Group	
	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

(2) Trade payables are presented by age as follows:

	The Group	
	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

20 Contract liabilities

	The Group	
	30 June 2026	31 December 2025
Advance receipts for goods	138,841,114.11	105,034,041.70

21 Employee benefits payable

		The Group	
	Notes	30 June 2026	31 December 2025
Short-term remuneration	(1)	249,793,294.67	347,429,135.40
Post-employment benefits — Defined contribution scheme	(2)	72,335.69	112,386.49
Total		249,865,630.36	347,541,521.89

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS — *continued*

21 Employee benefits payable — *continued*

(1) Short-term remuneration

	The Group			
	Balance as at 1 January 2026	Incurred during the period	Paid during the period	**Balance as at 30 June 2026**
Salaries, bonuses, allowances and subsidies	332,407,814.01	606,133,009.74	702,022,875.16	**236,517,948.59**
Employee welfare expenses	1,241,376.51	37,623,297.78	37,970,960.58	**893,713.71**
Social insurance expenses	69,323.92	31,847,420.19	31,892,373.98	**24,370.13**
— Medical insurance	43,511.29	28,245,433.54	28,266,127.68	**22,817.15**
— Work-related injury insurance	21,760.29	2,979,356.17	3,001,116.46	**—**
— Maternity insurance	4,052.34	622,630.48	625,129.84	**1,552.98**
Housing provident fund	8,530.00	13,528,332.69	13,525,895.69	**10,967.00**
Trade union fees and employee education expenses	13,700,108.28	12,795,350.26	14,152,192.55	**12,343,265.99**
Other short-term remuneration	1,982.68	12,893.04	11,846.47	**3,029.25**
Total	347,429,135.40	701,940,303.70	799,576,144.43	**249,793,294.67**

(2) Post-employment benefits — Defined contribution scheme

	The Group			
	Balance as at 1 January 2026	Incurred during the period	Paid during the period	**Balance as at 30 June 2026**
Basic pension insurance	108,806.34	54,724,837.02	54,761,307.67	**72,335.69**
Unemployment insurance	3,580.15	2,160,702.95	2,164,283.10	**—**
Total	112,386.49	56,885,539.97	56,925,590.77	**72,335.69**

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS — *continued*

22 Non-current liabilities due within one year

		The Group	
	Notes	30 June 2026	31 December 2025
Long-term borrowings due within one year	24	491,086,821.97	310,167,150.72
Lease liabilities due within one year	25	138,075,225.47	128,299,291.47
Long-term payables due within one year	26	28,426,232.85	65,356,329.92
Total		657,588,280.29	503,822,772.11

23 Other payables

	The Group	
	30 June 2026	31 December 2025
Interest payable	5,421,755.17	5,342,257.34
Deposits from farmers	4,803,184,379.38	3,966,498,005.26
Others	375,547,018.05	399,048,763.60
Total	5,184,153,152.60	4,370,889,026.20

24 Long-term borrowings

	The Group	
	30 June 2026	31 December 2025
Credit borrowings	2,722,532,435.80	2,683,606,567.76
Secured borrowings	152,694,573.95	212,252,944.09
Less: Long-term borrowings due within one year	491,086,821.97	310,167,150.72
Total	2,384,140,187.78	2,585,692,361.13

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS — *continued*

24 Long-term borrowings — *continued*

The analysis of long-term borrowings based on maturity date is as follows:

	The Group	
	30 June 2026	31 December 2025
Within 1 year (including 1 year)	491,086,821.97	310,167,150.72
1 to 2 years (including 2 years)	1,564,054,268.93	1,745,795,312.08
2 to 5 years (including 5 years)	754,755,756.45	732,652,494.62
Over 5 years	65,330,162.40	107,244,554.43
Total	2,875,227,009.75	2,895,859,511.85

25 Lease liabilities

	The Group	
	30 June 2026	31 December 2025
Long-term lease liabilities	2,948,212,953.15	2,885,395,520.62
Less: Lease liabilities due within one year	138,075,225.47	128,299,291.47
Total	2,810,137,727.68	2,757,096,229.15

The analysis of lease liabilities based on maturity date is as follows:

	The Group	
	30 June 2026	31 December 2025
Within 1 year (including 1 year)	138,075,225.47	128,299,291.47
1 to 2 years (including 2 years)	137,545,352.75	116,421,395.70
2 to 5 years (including 5 years)	357,498,202.21	304,803,230.24
Over 5 years	2,315,094,172.72	2,335,871,603.21
Total	2,948,212,953.15	2,885,395,520.62

26 Long-term payables

	The Group	
	30 June 2026	31 December 2025
Sale and leaseback with financing nature	28,426,232.85	74,732,909.19
Less: Long-term payables due within one year	28,426,232.85	65,356,329.92
Total	—	9,376,579.27

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS — *continued*

26 Long-term payables — *continued*

The analysis of long-term payables based on maturity date is as follows:

	The Group	
	30 June 2026	31 December 2025
Within 1 year (including 1 year)	28,426,232.85	65,356,329.92
1 to 2 years (including 2 years)	—	9,376,579.27
Total	28,426,232.85	74,732,909.19

27 Deferred income

	The Group	
	30 June 2026	31 December 2025
Government grants	800,294,934.15	825,521,354.99

28 Share capital

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

Holders of ordinary shares are entitled to receive dividends as and when declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the net assets of the Company.

29 Capital reserve

	The Group			
	Balance as at 1 January 2026	Increase during the period	Decrease during the period	Balance as at 30 June 2026
Share premium	2,245,986,442.45	—	14,721,988.21	2,231,264,454.24

Other capital reserve includes a decrease of RMB14,721,988.21 in capital reserve resulting from the purchase of minority shareholders' equity interests.

30 Treasury shares

	The Group			
	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

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS — *continued*

30 Treasury shares — *continued*

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.

31 Surplus reserves

	The Group			
	Balance as at 1 January 2026	Increase during the period	Decrease during the period	Balance as at 30 June 2026
Statutory surplus reserves	162,910,245.33	31,527,572.67	—	194,437,818.00

(1) Pursuant to the Company Law of the People's Republic of China, the PRC subsidiaries of the Group are required to transfer 10% of their after-tax profits calculated in accordance with the Accounting Law of the People's Republic of China to statutory surplus reserves until such reserves reach 50% of the registered capital. Such transfer must be made prior to the distribution of dividends to shareholders.

(2) Statutory surplus reserves can be used to offset prior years' losses (if any) and converted into share capital by issuing new shares to shareholders in proportion to their existing shareholdings or increasing the par value of the existing shares held by them, provided that the remaining balance after such issuance shall not be less than 25% of the registered capital.

32 Profit distribution and retained earnings at the end of the period

(1) Cash dividends distributed to investors

(a) Cash dividends distributed during the period

No cash dividends were distributed to ordinary shareholders during the period.

33 Operating revenue and operating costs

	For the period ended 30 June 2026		For the period ended 30 June 2025	
Item	Revenue	Cost	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 business	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

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS — *continued*

33 Operating revenue and operating costs — *continued*

(1) By timing of transfer of goods

Item	For the period ended 30 June 2026	For the period ended 30 June 2025
Revenue recognized at a point in time	10,088,738,827.06	11,695,764,006.61

34 Taxes and surcharges

	The Group	
	For the period ended 30 June 2026	For the period ended 30 June 2025
Stamp duty	10,412,712.76	8,860,240.17
Real estate tax	4,156,021.66	4,373,216.40
Land use tax	3,581,087.97	3,474,075.46
Environmental protection tax	424,445.92	338,820.23
Urban maintenance and construction tax	237,369.50	217,970.55
Resource tax	71,347.73	82,801.64
Education surcharges	108,832.50	98,833.47
Local education surcharges	73,502.81	65,881.88
Vehicle and vessel use tax	47,353.06	11,956.68
Others	265,412.49	440,136.35
Total	19,378,086.40	17,963,932.83

35 Selling expenses

	The Group	
	For the period ended 30 June 2026	For the period ended 30 June 2025
Employee compensation	25,783,043.25	22,651,045.57
Transportation and packaging expenses	14,373,562.62	12,898,797.52
Vehicle expenses	3,184,183.30	3,333,632.56
Advertising expenses	1,803,849.11	2,825,260.71
External labour costs	252,928.93	683,271.59
Depreciation expenses	662,491.05	432,029.31
Others	3,533,642.77	2,578,313.99
Total	49,593,701.03	45,402,351.25

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS — *continued*

36 Management fees

	The Group	
	For the period ended 30 June 2026	For the period ended 30 June 2025
Employee compensation	223,412,696.86	264,981,981.94
Insurance premiums	185,494,923.04	227,174,828.39
Depreciation and amortisation	54,470,353.23	57,594,481.35
Material costs	30,622,142.05	31,608,761.92
Agency service fees	16,159,040.63	11,472,377.30
Vehicle expenses	10,848,475.26	10,237,039.29
Travel expenses	11,500,624.71	10,220,797.92
External labour costs	7,839,659.01	7,292,184.24
Office expenses	8,674,914.27	6,209,376.11
Others	30,043,528.46	33,706,022.90
Total	579,066,357.52	660,497,851.36

The Group's review fees for the consolidated financial statements for the period ended 30 June 2026 amounted to RMB1,900,000.00 (for the period ended 30 June 2025: RMB1,900,000.00).

37 Research and development expenses

	The Group	
	For the period ended 30 June 2026	For the period ended 30 June 2025
R&D material inputs	67,405,207.03	73,965,100.42
Employee compensation	28,124,704.24	23,364,186.80
Depreciation and amortization	12,804,891.52	16,105,060.41
Utility expenses	1,584,921.70	1,546,327.35
Testing expenses	1,961,184.13	2,321,892.50
Other expenses	3,096,439.79	3,398,255.92
Total	114,977,348.41	120,700,823.40

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS — *continued*

38 Finance costs

	The Group	
	For the period ended 30 June 2026	For the period ended 30 June 2025
Interest expense on borrowings	75,298,027.72	63,242,953.94
Interest expense on lease liabilities	80,899,511.61	86,939,823.86
Less: Interest expense capitalised	2,405,149.85	1,556,159.44
Net interest expense	153,792,389.48	148,626,618.36
Interest income	(41,628,273.78)	(12,684,835.01)
Net exchange losses/(gains)	49,602.57	(497,204.97)
Other finance costs	3,676,944.49	4,155,520.24
Total	115,890,662.76	139,600,098.62

The capitalization rate used by the Group during the period to determine the amount of borrowing costs eligible for capitalization ranged from 2% to 3% (for the period ended 30 June 2025: 3.5% to 4.05%).

39 Other income

	The Group	
	For the period ended 30 June 2026	For the period ended 30 June 2025
Government grants	54,373,655.05	47,995,203.32

40 Investment income

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

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS — *continued*

41 Losses from changes in fair value

	The Group	
	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

42 Credit impairment losses/(reversal)

	The Group	
	For the period ended 30 June 2026	For the period ended 30 June 2025
Trade receivables	295,465.90	19,808.66
Other receivables	(101,045.49)	(2,551,150.38)
Total	194,420.41	(2,531,341.72)

43 Asset impairment losses

	The Group	
	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

44 Non-operating income and expenses

(1) Non-operating income

	The Group	
	For the period ended 30 June 2026	For the period ended 30 June 2025
Penalty income	1,010,793.40	2,425,141.21
Government grants	927,672.56	360,571.69
Unpayable payments	536,200.10	98,070.76
Others	3,041,551.02	762,303.28
Total	5,516,217.08	3,646,086.94

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS — *continued*

44 Non-operating income and expenses — *continued*

(2) Non-operating expenses

	The Group	
	For the period ended 30 June 2026	For the period ended 30 June 2025
Losses from the damage and scrapping of non-current assets	41,992,495.45	10,038,968.56
External donation	921,812.46	1,740,503.20
Others	9,659,704.58	2,842,990.83
Total	52,574,012.49	14,622,462.59

45 Income tax expenses

(1) The components of income tax expenses for the period

	The Group	
	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

(2) Reconciliation between income tax expenses and accounting profits is as follows:

	The Group	
	For the period ended 30 June 2026	For the period ended 30 June 2025
(Loss)/profit before tax	(1,303,823,202.33)	1,226,688,801.79
Expected income tax calculated at tax rate of 25%	(325,955,800.58)	306,672,200.45
Expenses not deductible for tax purposes	1,906,240.26	721,925.84
Effect of utilisation of deductible tax losses for which no deferred tax asset was recognized in previous periods	(82,245,675.10)	(10,816,131.19)
Effect of deductible temporary differences or deductible tax losses for which no deferred tax asset was recognized during the period	37,465,217.09	49,154,508.29
Losses from agriculture, forestry, animal husbandry and fishery projects	413,322,629.38	48,714,014.08
Tax exemption on income from agriculture, forestry, animal husbandry and fishery projects	(43,091,123.20)	(394,441,764.21)
Income tax expenses for the period	1,401,487.85	4,753.26

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS — *continued*

46 The calculations of basic and diluted earnings per share

(1) Basic earnings per share

The 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

The weighted average number of ordinary shares is calculated as follows:

	For the period ended 30 June 2026	For the period ended 30 June 2025
Number of ordinary shares outstanding at the beginning of the period	387,247,136.00	388,875,636.00
Effect of shares repurchased (Note V. 30)	(1,184,131.49)	—
Weighted average number of ordinary shares outstanding at the end of the period	386,063,004.51	388,875,636.00

(2) Diluted earnings per share

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

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS — *continued*

47 Supplementary information on the statement of cash flows

(1) Net (loss)/profit adjusted to cash flows from operating activities:

	The Group	
	For the period ended 30 June 2026	For the period ended 30 June 2025
Net (loss)/profit	(1,305,224,690.18)	1,226,684,048.53
Add: Asset impairment losses	196,691,097.77	2,241,683.82
Credit impairment losses/(reversal)	194,420.41	(2,531,341.72)
Depreciation of fixed assets	326,277,346.85	308,311,516.46
Depreciation of productive biological assets	230,275,906.32	216,088,472.39
Amortisation of intangible assets	5,449,042.61	3,841,241.48
Amortisation of long-term deferred expenses	7,474,102.36	9,004,111.07
Depreciation of right-of-use assets	119,817,086.00	128,048,069.02
Amortisation of deferred income	(35,284,621.18)	(38,543,224.02)
Gains from disposal of fixed assets, intangible assets and other long-term assets	(633,009.07)	(444,134.62)
Losses on scrapping of non-current assets	41,992,495.45	10,038,968.56
Losses from changes in fair value	92,248,913.02	37,974,098.78
Finance costs	153,315,037.22	148,519,427.62
Investment income	(496,663,930.13)	(68,192,240.27)
Increase in deferred income tax assets	(303,470.07)	(168,875.27)
Increase in inventories	(489,482,702.78)	(77,991,438.65)
Increase in deferred income	10,058,200.34	20,146,549.29
(Increase)/decrease in restricted monetary funds	(219,045,681.44)	32,569,801.16
Increase in operating receivables	(283,621,648.59)	(188,340,314.90)
Increase/(decrease) in operating payables	1,079,237,439.27	(23,255,686.80)
Others	(27,454,000.87)	(5,090,012.27)
Net cash flows (used in)/generated from operating activities	(594,682,666.69)	1,738,910,719.66

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS — *continued*

47 Supplementary information on the statement of cash flows — *continued*

(2) Net movements in cash and cash equivalents:

	The Group	
	For the period ended 30 June 2026	For the period ended 30 June 2025
Balance of cash and cash equivalents at the end of the period	4,622,806,436.85	5,055,222,706.35
Less: Balance of cash and cash equivalents at the beginning of the period	4,333,539,252.61	4,491,952,037.92
Net increase in cash and cash equivalents	289,267,184.24	563,270,668.43

(3) An analysis of cash and cash equivalents held by the Group is as follows:

	The Group	
	For the period ended 30 June 2026	For the period ended 30 June 2025
(a) Monetary funds		
— Bank deposits readily available for payment	1,627,869,004.07	1,750,524,701.59
— Other monetary funds readily available for payment	2,994,937,432.78	3,304,698,004.76
— Use of restricted monetary funds	474,896,323.43	202,699,918.51
(b) Closing balance of monetary funds and cash equivalents	5,097,702,760.28	5,257,922,624.86
Less: use of restricted monetary funds	474,896,323.43	202,699,918.51
(c) Closing balance of cash and cash equivalents readily realizable	4,622,806,436.85	5,055,222,706.35

VI. CHANGES TO THE SCOPE OF CONSOLIDATION

For the period ended 30 June 2026, there were 6 new subsidiaries, including Chongqing Fuling Dekon Agricultural Science and Technology Co., Ltd. (重慶涪陵德康農業科技有限公司), Dayi Dekon Agriculture Technology Co., Ltd. (大邑德康農牧科技有限公司), Guangdong Ainong Animal Husbandry Service Co., Ltd. (廣東艾農畜牧服務有限公司), Hainan Dekon Food Co., Ltd. (海南德康食品有限公司), Xishui Dekon Food Co., Ltd. (習水德康食品有限公司), Desheng Xinkang International Development Limited; cancellation of 1 subsidiary: Lezhi County Dekon Agriculture and Animal Husbandry Technology Co., Ltd. (樂至縣德康農牧有限公司). Due to the disposal of partial equity interests, the Group lost control over Henan Huikang Hechuang Breeding Co., Ltd. (河南匯康合創養殖有限公司).

VII. INTERESTS IN OTHER ENTITIES

1 Interests in significant subsidiaries

(1) Composition of enterprise groups

Name of company	Place of registration and business	Kind of legal entity	Registered capital	Nature of business	Group's effective interest: Group's effective interest	Held by the Company	Held by subsidiaries
Chengdu Dekon Animal Husbandry Technology Co., Ltd. 成都德康畜牧科技有限公司	PRC	Limited liability company	140,000,000	Holding company	100%	100%	—
Xishui Dekon Agriculture and Animal Husbandry Co., Ltd. 習水德康農牧有限公司	PRC	Limited liability company	20,000,000	Pig breeding	100%	—	100%
Sihong Dekon Farming and Technology Co., Ltd. 泗洪德康農牧科技有限公司	PRC	Limited liability company	185,000,000	Pig breeding	65%	—	100%
Horqin Right Front Banner Dekon Agriculture and Animal Husbandry Co., Ltd. 科爾沁右翼前旗德康農牧有限公司	PRC	Limited liability company	50,000,000	Pig breeding	70%	—	100%
Chongqing Hechuan Dekon Pig Farming Co., Ltd. 重慶市合川區德康生豬養殖有限公司	PRC	Limited liability company	20,000,000	Pig breeding	100%	—	100%
Renshou Dekon Agriculture and Animal Husbandry Co., Ltd. 仁壽德康農牧有限公司	PRC	Limited liability company	100,000,000	Pig breeding	100%	—	100%
Zigong Dekon Animal Husbandry Technology Co., Ltd. 自貢德康農牧科技有限公司	PRC	Limited liability company	64,500,000	Pig breeding	100%	—	100%
Suqian Dekon Agriculture and Animal Husbandry Co., Ltd. 宿遷德康農牧有限公司	PRC	Limited liability company	20,000,000	Pig breeding	100%	—	100%
Chengdu Dekon Animal Health Technology Service Co., Ltd. 成都德康動物健康技術服務有限公司	PRC	Limited liability company	50,000,000	Trading	100%	—	100%
Guizhou Deyu Gene Technology Co., Ltd. 貴州德育基因科技有限公司	PRC	Limited liability company	233,253,900	Holding company	86%	—	86%
Chengdu Dekon Chicken Breeding Co., Ltd. 成都德康雞業有限公司	PRC	Limited liability company	72,000,000	Holding company	100%	100%	—

VII. INTERESTS IN OTHER ENTITIES — *continued*

1 Interests in significant subsidiaries — *continued*

(1) Composition of enterprise groups — continued

Name of company	Place of registration and business	Kind of legal entity	Registered capital	Nature of business	Group's effective interest: Group's effective interest	Group's effective interest: Held by the Company	Group's effective interest: Held by subsidiaries
Guangdong Wizagricultural Science & Technology Co., Ltd. 廣東智威農業科技股份有限公司	PRC	Limited liability company	54,000,000	Yellow feathered broiler farming	92%	—	92%
Anshun Dekon Agriculture and Animal Husbandry Co., Ltd. 安順德康農牧有限公司	PRC	Limited liability company	192,000,000	Pig breeding	100%	—	100%
Kaiping Jinjiwang Poultry Co., Ltd. 開平金雞王禽業有限公司	PRC	Limited liability company	6,000,000	Yellow feathered broiler farming	92%	—	100%
Chongqing Wanzhou Dekon Agriculture and Animal Husbandry Technology Co., Ltd. 重慶萬州德康農牧科技有限公司	PRC	Limited liability company	30,000,000	Pig breeding	76%	—	76%
Quxian Dekon Pig Farming Co., Ltd. 渠縣德康生豬養殖有限公司	PRC	Limited liability company	10,000,000	Pig breeding	100%	—	100%
Songtao Dekon Agriculture and Animal Husbandry Co., Ltd. 松桃德康農牧有限公司	PRC	Limited liability company	10,000,000	Pig breeding	100%	—	100%
Yibin Dekon Food Co., Ltd. 宜賓德康食品有限公司	PRC	Limited liability company	240,000,000	Food processing	100%	—	100%
Sichuan Dekon-Tönnies Premium Food Co., Ltd. 四川德康通內斯食品有限公司	PRC	Limited liability company	148,500,000	Food processing	50%	50%	—
Chengdu Dekon Xin Gene Technology Co., Ltd. 成都德康芯基因科技有限公司	PRC	Limited liability company	100,000,000	Holding company	100%	100%	—

VII. INTERESTS IN OTHER ENTITIES — *continued*

2 Interests in joint ventures

(1) Details of joint ventures are as follows:

Name of enterprise	Place of registration and business	Registered capital	Nature of business	Group's effective interest: Group's effective interest	Group's effective interest: Held by the Company	Group's effective interest: Held by subsidiaries
joint ventures						
Henan Huikang Hechuang Breeding Co., Ltd. 河南匯康合創養殖有限公司	PRC	600,000,000	Pig breeding	49.0%	—	49.0%

(2) Summarised financial information of immaterial joint ventures is as follows:

	For the period ended 30 June 2026	For the period ended 30 June 2025
Joint ventures:		
Aggregate carrying amount of investments	8,716,629.41	—
Aggregate amount of share of		
— Net loss	(1,083,370.59)	—
— Total comprehensive income	(1,083,370.59)	—

3 Interests in associates

(1) Details of associates are as follows:

Name of company	Place of registration and business	Registered capital	Nature of business	Group's effective interest: Group's effective interest	Group's effective interest: Held by the Company	Group's effective interest: Held by subsidiaries
associates						
Jilin Jinlongfeng Agriculture and Animal Husbandry Technology Co., Ltd. 吉林金隆豐農牧科技有限公司	PRC	100,000,000	Pig breeding	20.0%	—	20.0%
Wangmo County Hongyoukang Breeding Pig Co., Ltd. 望謨縣紅優康種豬育種有限公司	PRC	30,000,000	Pig breeding	17.1%	—	20.0%
Quanzhou Kangyuan Food Co., Ltd 泉州康源食品有限公司	PRC	50,000,000	Food processing	35.0%	35.0%	—
Yala Derong (Guangdong) Agricultural Investment Co., Ltd. 雅拉德榮(廣東)農業投資有限公司	PRC	100,000,000	Beef cattle breeding	19.9%	—	19.9%

VII. INTERESTS IN OTHER ENTITIES — *continued*

3 Interests in associates — *continued*

(2) Summarised financial information of immaterial associates is as follows:

	For the period ended 30 June 2026	For the period ended 30 June 2025
Associates:		
Aggregate carrying amount of investments	24,062,515.25	33,303,813.83
Aggregate amount of share of		
— Net loss	(9,241,298.58)	(9,065,596.17)
— Total comprehensive income	(9,241,298.58)	(9,065,596.17)

VIII. FAIR VALUE DISCLOSURE

1 Assets and liabilities measured at fair value

The following table presents the fair value information and the hierarchy of fair value measurement at the end of the Reporting Period, of the Group's assets and liabilities which are measured at fair value at each balance sheet date on a recurring and non-recurring basis. The level in which the result of fair value measurement is categorized is determined by the lowest level input that is significant to the entire fair value measurement. The three levels of input are defined as follows:

Level 1 inputs: unadjusted quoted prices in active markets that are observable at the measurement date for identical assets or liabilities;

Level 2 inputs: inputs other than Level 1 inputs that are either directly or indirectly observable for underlying assets or liabilities;

Level 3 inputs: inputs that are unobservable for underlying assets or liabilities.

The fair value of derivative financial instruments is determined by quoted prices in active markets, so it falls into Level 1 of the fair value hierarchy. The fair value measurement of RMB wealth management products and unlisted equity investment falls into level 3 of the fair value hierarchy.

VIII. FAIR VALUE DISCLOSURE — *continued*

1 Assets and liabilities measured at fair value — *continued*

The Group

	Note	30 June 2026 Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
Recurring fair value measurement					
Assets					
Derivative financial assets	V.3	30,676,640.00	—	—	30,676,640.00
Total assets at recurring fair value measurement		30,676,640.00	—	—	30,676,640.00
Liabilities					
Derivative financial liabilities	V.3	(90,682,800.39)	—	—	(90,682,800.39)
Total liabilities at recurring fair value measurement		(90,682,800.39)	—	—	(90,682,800.39)

	Note	31 December 2025 Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
Recurring fair value measurement					
Assets					
Financial assets held for trading	V.2	—	—	151,208,630.14	151,208,630.14
Including: wealth management products		—	—	151,208,630.14	151,208,630.14
Derivative financial assets	V.3	51,970,039.34	—	-	51,970,039.34
Total assets at recurring fair value measurement		51,970,039.34	—	151,208,630.14	203,178,669.48
Liabilities					
Derivative financial liabilities	V.3	(23,442,923.01)	—	—	(23,442,923.01)
Total liabilities at recurring fair value measurement		(23,442,923.01)	—	—	(23,442,923.01)

For the period ended 30 June 2026, there were no transfers between the levels for assets and liabilities which are measured at fair value on a recurring basis.

VIII. FAIR VALUE DISCLOSURE — *continued*

1 Assets and liabilities measured at fair value — *continued*

(1) Level 3 fair value measurements

A dedicated team led by the Finance Manager is responsible for valuing assets and liabilities measured at level 3 fair value, both on a recurring and non-recurring basis. This team reports directly to the Chief Financial Officer. The team prepares an analysis of changes in fair value measurements at the mid-year and year-end, which is reviewed and approved by the Chief Financial Officer. At the mid-year and year-end, the team discusses the valuation process and results with the Chief Financial Officer.

The fair value of RMB wealth management products is determined by calculating based on the discounted cash flow method. The main level 3 inputs used by the Group for RMB wealth management products are the expected rates of return. As at 30 June 2026, the Group had redeemed all RMB wealth management products measured at level 3 fair value.

During the period ended 30 June 2026, there were no changes to the valuation techniques used to determine the fair value of the assets and liabilities measured at level 3 fair value on a recurring basis.

IX. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1 Information regarding the Company's parent company is as follows:

Name of Parent Company	Place of Registration	Nature of Business	Registered Capital	Percentage of Shares Held in the Company	Percentage of Voting Rights in the Company
Sichuan Dekon Holding Group Co., Ltd.	Sichuan Province, China	Investment, Asset Management	RMB169.30 million	33.7%	33.7%

At 30 June 2026, the directors of the Group consider the immediate holding company and ultimate controlling party of the Group to be Sichuan Dekon Holding Group Co., Ltd. and Mr. Wang Degen, respectively. Sichuan Dekon Holding Group Co., Ltd. does not produce financial statements available for public use.

2 For information regarding the Company's major subsidiaries, see Note VII.1.

3 Transactions between the Group and the Company and key management personnel

	The Group	
Project	30 June 2026	30 June 2025
Key management personnel compensation	7,425,123.54	14,026,368.00

IX. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS — *continued*

4 Transactions between the Group and the Company and related parties other than key management personnel:

(1) The amounts of transactions with related parties are as follows:

	The Group	
	For the period ended 30 June 2026	For the period ended 30 June 2025
Sales of goods	35,407,194.08	39,035,115.41
Purchase of goods	1,524,805,709.80	808,656,170.17
Repayment of borrowings	—	12,000,000.00

The transactions with related parties described above were conducted on normal commercial terms or in accordance with the relevant agreements.

(2) The balances of transactions with related parties are as follows:

	The Group	
	30 June 2026	31 December 2025
Trade receivables	3,035,819.75	3,504,954.78
Other receivables	2,006,489.74	19,936.00
Trade payables	129,732,650.06	125,900,331.79
Other payables	201,197.87	—

(3) Related parties involved in the transactions described in 4(1) and (2) and their relationship with the Group

Company name	Relationship with the Group
Wang Degen	Ultimate controlling party
Sichuan Dekon Holding Group Co., Ltd.	A company controlled by the ultimate controlling party
Sichuan Tequ Investment Group Limited (四川特驅投資集團有限公司)	A company controlled by the ultimate controlling party
Chengdu Tequ Baiwei Catering Management Co., Ltd. (成都特驅百味餐飲管理有限公司)	A company controlled by the ultimate controlling party
Sichuan Puhua Agricultural Technology Development Limited (四川普華農業科技發展有限公司)	A company controlled by the spouse of the ultimate controlling party
Baoding Wanqian Feed Co., Ltd. (保定萬千飼料有限公司)	A subsidiary of Sichuan Tequ
Suzhou Wanqian Feed Co., Ltd. (宿州萬千飼料有限公司)	A subsidiary of Sichuan Tequ
Chengdu Tequ Agriculture and Animal Husbandry Technology Co., Ltd. (成都特驅農牧科技有限公司)	A subsidiary of Sichuan Tequ

IX. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS — *continued*

4 Transactions between the Group and the Company and related parties other than key management personnel: — *continued*

(3) Related parties involved in the transactions described in 4(1) and (2) and their relationship with the Group — continued

Company name	Relationship with the Group
Nanchong Tequ Feed Co., Ltd. (南充特驅飼料有限公司)	A subsidiary of Sichuan Tequ
Chongqing Tequ Feed Co., Ltd. (重慶特驅飼料有限公司)	A subsidiary of Sichuan Tequ
Chongqing Shengbo Feed Co., Ltd. (重慶生搏飼料有限公司)	A subsidiary of Sichuan Tequ
Chongqing Rongchang District Tequ Feed Co., Ltd. (重慶市榮昌區特驅飼料有限公司)	A subsidiary of Sichuan Tequ
Guiyang Tequ Hope Agriculture and Husbandry Co., Ltd. (貴陽特驅希望農業科技有限公司)	A subsidiary of Sichuan Tequ
Chengdu Bond Technology Co., Ltd. (成都邦得科技有限公司)	A subsidiary of Sichuan Tequ
Yibin Tequ Feed Co., Ltd. (宜賓特驅飼料有限公司)	A subsidiary of Sichuan Tequ
Xinjin Bond Technology Co., Ltd. (新津邦得科技有限公司)	A subsidiary of Sichuan Tequ
Kunming Tequ Feed Co., Ltd. (昆明特驅飼料有限公司)	A subsidiary of Sichuan Tequ
Guanghan Tequ Agriculture and Animal Husbandry Technology Co., Ltd. (廣漢特驅農牧科技有限公司)	A subsidiary of Sichuan Tequ
Deyang Tequ Feed Co., Ltd. (德陽特驅飼料有限公司)	A subsidiary of Sichuan Tequ
Zhanjiang Tequ Feed Co., Ltd. (湛江特驅飼料有限公司)	A subsidiary of Sichuan Tequ
Leshan Tequ Feed Co., Ltd. (樂山特驅飼料有限公司)	A subsidiary of Sichuan Tequ
Zhumadian Tequ Feed Co., Ltd. (駐馬店特驅飼料有限公司)	A subsidiary of Sichuan Tequ
Zhaodong Tequ Feed Co., Ltd. (肇東特驅飼料有限公司)	A subsidiary of Sichuan Tequ
Sichuan Tequ Feed Co., Ltd. (四川特驅農牧科技集團有限公司)	A subsidiary of Sichuan Tequ
Chengdu Chuannongniu Technology Co., Ltd. (成都川農牛科技有限公司)	A subsidiary of Sichuan Tequ
Sichuan Lvkepuhua Trading Co., Ltd. (四川綠科普華商貿有限公司)	A subsidiary of Sichuan Tequ

IX. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS — *continued*

4 Transactions between the Group and the Company and related parties other than key management personnel: — *continued*

(3) Related parties involved in the transactions described in 4(1) and (2) and their relationship with the Group — continued

Company name	Relationship with the Group
Chongqing Lvke Xianggang Logistics Co., Ltd. (重慶綠科祥港物流有限公司)	A subsidiary of Sichuan Tequ
Chongqing JinTian Tequ Feed Co., Ltd. (重慶今天特驅飼料有限公司)	A subsidiary of Sichuan Tequ
Siping Tequ Feed Co., Ltd. (四平特驅飼料有限公司)	A subsidiary of Sichuan Tequ
Xishui Xianyuan Honggu Tea Tree Tea Industry Co., Ltd. (習水仙源紅古茶樹茶業有限公司)	A subsidiary of Sichuan Tequ
Beijing Tequxiwang Feed Co., Ltd. (北京特驅希望飼料有限公司)	A subsidiary of Sichuan Tequ
Shenyang Wanqian Agriculture and Animal Husbandry Technology Co., Ltd. (瀋陽萬千農牧科技有限公司)	A subsidiary of Sichuan Tequ
Yichang Tequ Feed Co., Ltd. (宜昌特驅飼料有限公司)	A subsidiary of Sichuan Tequ
Sichuan Wanqian Feed Co., Ltd. (四川省內江萬千飼料有限公司)	A subsidiary of Sichuan Tequ
Xichang Wanqian Feed Co., Ltd. (西昌萬千飼料有限責任公司)	A subsidiary of Sichuan Tequ
Guigang Wanqian Feed Co., Ltd. (貴港市萬千飼料有限責任公司)	A subsidiary of Sichuan Tequ
Guang'an Wanqian Group Co., Ltd. (廣安萬千集團有限公司)	A subsidiary of Sichuan Tequ
Chengdu Xinjin Hope Feed Mill (成都市新津希望飼料廠)	A company controlled by a shareholder
Chengdu Jiayuan International Hotel Co., Ltd. (成都家園國際酒店有限公司)	A company controlled by a shareholder
Sichuan Zhenghu Wisdom Technology Co., Ltd. (四川正狐智慧科技有限公司)	Associates of the ultimate controlling party
Jilin Huixin Tiancheng Investment Co., Ltd. (吉林匯鑫天成投資有限公司)	Non-controlling shareholders of the subsidiary
Quanzhou Kangyuan Food Co., Ltd. (泉州康源食品有限公司)	Associated company
Wangmo County Hongyoukang Breeding Pig Co., Ltd. (望謨縣紅優康種豬育種有限公司)	Associated company
Henan Huikang Hechuang Breeding Co., Ltd. (河南匯康合創養殖有限公司)	Joint venture
Da'an Jinlongfeng Agriculture and Animal Husbandry Co., Ltd. (大安市金隆豐農牧有限公司)	Subsidiary of an associated company

IX. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS — *continued*

5 Information on the Group's joint ventures and associates:

For the information on joint ventures and associates, please refer to Note VII.2 and VII.3.

X. COMMITMENTS

The Group had the following capital commitments:

	The Group	
	30 June 2026	31 December 2025
Total	727,413,983.97	898,565,997.75

XI. OTHER SIGNIFICANT EVENTS

1 Segment reporting

The Group has three reporting segments, namely sales of pigs, sales of poultry, and sales of ancillary products. Each reporting segment is a separate business division that offers different products and services. As each segment requires different technologies and market strategies, it needs to be managed separately.

— Sales of pigs: sales of market hogs, breeding pigs, market piglets and boar semen;

— Sales of poultry: sales of yellow-feathered broilers, chicks and eggs;

— Sales of ancillary products: sales of fresh meat, ingredients and others.

(1) Information of profit or loss, assets and liabilities of reporting segments

In order to evaluate the performance of each segment and allocate resources, the management of the Group will regularly review the revenue and operating results attributable to each segment. The preparation of such information is based on the followings:

Revenue and costs are recognized based on the sales revenue achieved by each segment and the costs allocated to each reportable segment. The profit of each reporting segment is measured using gross profit as the indicator. Intersegment transactions are priced with reference to the prices of similar products sold to external customers.

The Group's other operating profit or loss (such as administrative expenses and selling expenses), as well as related assets and liabilities, are not accounted for at the individual segment level. Therefore, no information on segment assets or segment liabilities, or on capital expenditure, interest income, or interest expenses is disclosed.

XI. OTHER SIGNIFICANT EVENTS — *continued*

1 Segment reporting — *continued*

(1) Information of profit or loss, assets and liabilities of reporting segments — continued

The segment performance of the Group for the period ended 30 June 2026 and 2025:

	For the period ended 30 June 2026			
	Sales of pigs	Sales of poultry	Sales of ancillary products	Total
Revenue from external customers	7,829,217,428.27	1,274,837,630.03	984,683,768.76	10,088,738,827.06
Inter-segment revenue	456,384,578.94	62,648.40	2,855,922,895.20	3,312,370,122.54
Reportable segment revenue	8,285,602,007.21	1,274,900,278.43	3,840,606,663.96	13,401,108,949.60
Reportable segment profit	(741,009,058.82)	96,117,429.43	29,648,665.79	(615,242,963.60)

	For the period ended 30 June 2025			
	Sales of pigs	Sales of poultry	Sales of ancillary products	Total
Revenue from external customers	9,879,128,002.02	1,335,504,665.89	481,131,338.70	11,695,764,006.61
Inter-segment revenue	381,226,868.31	240,314.12	5,410,804,465.02	5,792,271,647.45
Reportable segment revenue	10,260,354,870.33	1,335,744,980.01	5,891,935,803.72	17,488,035,654.06
Reportable segment profit	2,168,976,196.28	(105,234,240.58)	30,194,497.70	2,093,936,453.40

(2) Geographic information

The Group's revenue is substantially generated from the sales of pigs, poultry and ancillary products in the PRC. The Group's operating assets are substantially situated in the PRC. Accordingly, no segment analysis based on geographical locations of the customers and assets is provided.

(3) Major customers

Revenue from each individual customer of the Group is below 10% of the Group's total revenue for the period ended 30 June 2026 and 2025.

XII. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS

1 Other receivables

	Notes	The Company 30 June 2026	The Company 31 December 2025
Interest receivable		68,862,959.30	64,503,963.75
Others	(1)	7,041,695,585.39	6,186,938,271.29
Total		7,110,558,544.69	6,251,442,235.04

(1) Others

(a) Analysed by customer category:

	The Company 30 June 2026	The Company 31 December 2025
Receivables from subsidiaries	7,040,058,090.25	6,184,144,514.08
Receivables from third-party companies	2,209,892.24	3,467,952.15
Subtotal	7,042,267,982.49	6,187,612,466.23
Less: Provision for bad debts	572,397.10	674,194.94
Total	7,041,695,585.39	6,186,938,271.29

(b) Analysed by ageing:

	The Company 30 June 2026	The Company 31 December 2025
Within 1 year (inclusive)	7,032,429,429.07	6,170,079,565.72
Over 1 year	9,838,553.42	17,532,900.51
Subtotal	7,042,267,982.49	6,187,612,466.23
Less: Provision for bad debts	572,397.10	674,194.94
Total	7,041,695,585.39	6,186,938,271.29

The ageing of other receivables is calculated from the date they are recognised.

XII. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS — *continued*

1 Other receivables — *continued*

(2) Movements in provision for bad debts are as follows:

	The Company	
	30 June 2026	31 December 2025
Balance at beginning of the period/year	674,194.94	2,093,156.60
Provision for the period/year	59,158,140.48	47,355,370.56
Write-off for the period/year	(59,259,938.32)	(48,774,332.22)
Balance at end of the period/year	572,397.10	674,194.94

2 Long-term equity investments

	The Company	
	30 June 2026	31 December 2025
Investments in subsidiaries	717,634,897.45	695,434,897.45
Investments in associates	14,808,441.75	15,685,235.26
Total	732,443,339.20	711,120,132.71

3 Other non-current assets

	The Company	
	30 June 2026	31 December 2025
Other non-current assets	386,709,242.88	266,499,242.88

4 Other payables

	The Company	
	30 June 2026	31 December 2025
Payables to subsidiaries	3,907,043,423.91	5,380,655,348.82
Interest payable	2,113,481.20	2,006,191.68
Others	75,849,223.58	76,797,585.52
Total	3,985,006,128.69	5,459,459,126.02

XII. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS — *continued*

5 Operating revenue and operating costs

Item	For the period ended 30 June 2026		For the period ended 30 June 2025	
	Revenue	Cost	Revenue	Cost
Principal operations	181,670.00	187,575.00	2,281,903.70	2,313,270.00
Other operations	12,830,491.68	63,074.57	13,600,130.12	120,012.41
Total	13,012,161.68	250,649.57	15,882,033.82	2,433,282.41
Including: Revenue from contracts	13,012,161.68	250,649.57	15,882,033.82	2,433,282.41

(1) Classified by timing of transfer of goods

Item	For the period ended 30 June 2026	For the period ended 30 June 2025
Revenue recognized at a point in time	13,012,161.68	15,882,033.82

6 Investment income

	The Company	
	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	(876,793.51)	(403,972.88)
Long-term equity investment income accounted for under the cost method	938,000,003.00	—
Investment income from wealth management products	6,089,426.85	10,325,028.19
Investment income from disposal of derivative financial assets	511,137,053.31	63,401,680.64
Total	1,454,349,689.65	73,322,735.95

XII. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS — *continued*

7 Supplementary information on the statement of cash flows

(a) Net profit/(loss) adjusted to cash flows from operating activities:

	The Company	
	For the period ended 30 June 2026	For the period ended 30 June 2025
Net profit/(loss)	1,225,031,393.81	(111,946,324.95)
Add: Credit impairment losses	59,168,171.90	50,390,133.01
Depreciation of fixed assets	2,444,360.82	998,343.01
Amortisation of intangible assets	1,171,190.59	979,716.62
Depreciation of right-of-use assets	2,396,503.88	2,169,010.90
Amortisation of deferred income	(5,590,803.40)	(2,947,807.34)
Losses from changes in fair value	90,656,051.81	33,504,656.68
Finance costs	52,525,294.40	30,879,865.20
Investment income	(1,454,349,689.65)	(73,322,735.95)
Decrease/(increase) in inventories	104,033.82	(39,804.58)
Increase in deferred income	1,412,004.27	5,621,413.59
(Increase)/decrease in restricted monetary funds	(274,741,546.15)	46,148,243.11
(Increase)/decrease in operating receivables	(62,723,557.44)	349,109,623.10
Decrease in operating payables	(17,033,479.71)	(26,141,523.38)
Others	624,189.91	26,038.20
Net cash flows (used in)/generated from operating activities	(378,905,881.14)	305,428,847.22

(b) Net movements in cash and cash equivalents:

	The Company	
	For the period ended 30 June 2026	For the period ended 30 June 2025
Balance of cash and cash equivalents at the end of the period	3,711,870,172.53	3,945,801,971.60
Less: Balance of cash and cash equivalents at the beginning of the period	3,499,786,847.10	3,306,229,504.14
Net increase in cash and cash equivalents	212,083,325.43	639,572,467.46

XII. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS — *continued*

7 Supplementary information on the statement of cash flows — *continued*

(c) An analysis of cash and cash equivalents held by the Company is as follows:

	The Company	
	For the period ended 30 June 2026	For the period ended 30 June 2025
(i) Monetary funds		
— Bank deposits readily available for payment	1,120,473,228.86	1,227,496,399.92
— Other monetary funds readily available for payment	2,591,396,943.67	2,718,305,571.68
— Use of restricted monetary funds	392,708,677.83	171,394,326.70
(ii) Closing balance of monetary funds and cash equivalents	4,104,578,850.36	4,117,196,298.30
Less: Use of restricted monetary funds	392,708,677.83	171,394,326.70
(iii) Closing balance of cash and cash equivalents readily realizable	3,711,870,172.53	3,945,801,971.60

XIII. EVENTS AFTER THE BALANCE SHEET DATE

1 Explanation of important non-adjusting events after the balance sheet date

The Company publicly issued 500 zero coupon convertible bonds due 2027 in US dollars on 4 August 2026 with a par value of US$200,000 and a total issuance amount of US$100 million. The Company has received approval from The Stock Exchange of Hong Kong Limited for the listing and trading of the converted H shares, as well as the approval from the Vienna Stock Exchange for the bond listing.

德康集团
DEKON GROUP

四川德康農牧食品集團股份有限公司
DEKON FOOD AND AGRICULTURE GROUP