

DEKON FOOD AND AGRICULTURE GROUP /
四川德康農牧食品集團股份有限公司
ANNOUNCEMENT OF FINAL OFFER PRICE AND
ALLOTMENT RESULTS

Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the prospectus dated 27 November 2023 (the “Prospectus”) issued by Dekon Food and Agriculture Group (the “Company”).

Warning: In view of high concentration of shareholding in a small number of H Shareholders, H Shareholders and prospective investors should be aware that the price of the H Shares could move substantially even with a small number of H Shares traded and should exercise extreme caution when dealing in the H Shares.

SUMMARY

Company information

Stock code	2419
Stock short name	DEKON AGR
Dealings commencement date	6 December 2023*

**see note at the end of the announcement*

Price Information

Final Offer Price	HK\$36.950
Offer Price Range	HK\$30.350 - HK\$36.950
Offer Price Adjustment exercised	No

Offer Shares and Share Capital

Number of Offer Shares	26,912,000
Number of Offer Shares in Public Offer	2,691,200
Number of offer shares in International Offer	24,220,800
Number of issued shares upon Listing	388,875,636

The number of offer shares above is determined after taking into account the additional shares issued under the following Offer Size Adjustment Option

Offer Size Adjustment Option (Upsize option)

Number of additional shares issued under the option	-
- Public Offer	-
- International Offer	-

Over-allocation

No. of Offer Shares over-allocated	-
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Proceeds

Gross proceeds (Note)	HK\$ 994.40 million
Less: Estimated listing expenses payable based on Final Offer Price	HK\$ (123.23) million
Net proceeds	HK\$ 871.17 million

Note: Gross proceeds refers to the amount to which the issuer is entitled receive. For details of the use of proceeds, please refer to the Prospectus dated 27 November 2023.

ALLOTMENT RESULTS DETAILS

PUBLIC OFFER

No. of valid applications	1,894
No. of successful applications	1,894
Subscription level	1.88 times
Claw-back triggered	No
No. of Offer Shares initially available under the Public Offer	2,691,200
Final no. of Offer Shares under the Public Offer	2,691,200
% of Offer Shares under the Public Offer to the Global Offering	10.00%

Note: For details of the final allocation of shares to the Public Offer, investors can refer to <https://www.hkeipo.hk/IPOResult> to perform a search by name or identification number or <https://www.hkeipo.hk/IPOResult> for the full list of allottees.

INTERNATIONAL OFFER

No. of placees	124
Subscription Level	1.13 times
No. of Offer Shares initially available under the International Offer	24,220,800
Final no. of Offer Shares under the International Offer	24,220,800
% of Offer Shares under the International Offer to the Global Offering	90.00%

The Directors confirm that, to the best of their knowledge, information and belief, (i) none of the Offer Shares subscribed by the placees and the public have been financed directly or indirectly by the Company, any of the Directors, Supervisors, chief executive of the Company, controlling shareholders, substantial shareholders, existing shareholders of the Company or any of its subsidiaries or their respective close associates; and (ii) none of the placees and the public who have purchased the Offer Shares are accustomed to taking instructions from the Company, any of the Directors, Supervisors, chief executive of the Company, controlling shareholders, substantial shareholders, existing shareholders of the Company or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of Shares registered in his/her/its name or otherwise held by him/her/it.

The placees in the International Offer include the following:

Cornerstone Investors

<i>Investor</i>	<i>No. of Offer Shares allocated</i>	<i>% of Offer Shares</i>	<i>% of total issued H Shares after the Global Offering</i>	<i>% of total issued share capital after the Global Offering</i>	<i>Existing shareholders or their close associates</i>
Xiushan County Xinzhiyuan Market Management Co., Ltd. / 秀山縣欣之園市場管理股份有限公司	4,223,500	15.69%	6.39%	1.09%	No
Guiyang Agricultural Investment Development Co., Ltd. / 貴陽市農業農墾投資發展集團有限公司	4,220,500	15.68%	6.38%	1.09%	No
Quxian Huixing Industrial Investment Co., Ltd. / 渠縣匯興產投實業有限公司	2,109,900	7.84%	3.19%	0.54%	No
Total	10,553,900	39.22%	15.96%	2.71%	

Allottee with waivers/consents obtained

<i>Investor</i>	<i>No. of shares allocated</i>	<i>% of offer shares</i>	<i>% of total issued H Shares after the Global Offering</i>	<i>% of total issued share capital after the Global Offering</i>	<i>Relationship*</i>
Galaxy Jinhui (as defined below)	1,043,200	3.88%	1.58%	0.27%	Connected client
Total	1,043,200	3.88%	1.58%	0.27%	

#The H Shares placed to the above allottee are held on behalf of an independent third party (as defined in the Guidance Letter HKEX-GL85-16) and are in compliance with all the conditions under the consent granted by the Stock Exchange.

LOCK-UP UNDERTAKINGS

Controlling Shareholders

<i>Name</i>	<i>Number of shares held in the Company subject to lock-up undertakings upon listing</i>	<i>% of total issued H-shares after the Global Offering subject to lock-up undertakings upon listing</i>	<i>% of shareholding in the Company subject to lock-up undertakings upon listing</i>	<i>Last day subject to the lock-up undertakings</i>
Sichuan Desheng Ronghe Group Co. Ltd. / 四川德盛榮和實業集團有限公司	131,067,169	N/A	33.70%	5 December 2024
Wang Degen / 王德根	11,915,198	N/A	3.06%	5 December 2024
Subtotal	142,982,367	N/A	36.77%	

The expiry date of the lock-up period shown in the table above is pursuant to the The PRC Company Law.

Pre-IPO Investors (as defined in the “History and Corporate Structure” section of the Prospectus)

<i>Name</i>	<i>Number of shares held in the Company subject to lock-up undertakings upon listing</i>	<i>% of total issued H-shares after the Global Offering subject to lock-up undertakings upon listing</i>	<i>% of shareholding in the Company subject to lock-up undertakings upon listing</i>	<i>Last day subject to the lock-up undertakings</i>
Shanghai CEL Maiming Investment Centre (Limited Partnership) / 上海光控麥鳴投資中心 (有限合夥)	37,570,873	N/A	9.66%	5 December 2024
Yixing CEL Investment Limited / 宜興光控投資有限公司	12,279,343	N/A	3.16%	5 December 2024
Peng Benping / 彭本平	11,915,197 (including 1,809,818 H Shares)	2.74%	3.06%	5 December 2024
Peng Bengang / 彭本剛	11,915,197 (including 10,098,785 H Shares)	15.27%	3.06%	5 December 2024
Chengdu Jiakun Growing Enterprise Management Centre (Limited Partnership) / 成都嘉坤成長企業管理中心 (有限合夥)	8,936,398	N/A	2.30%	5 December 2024

<i>Name</i>	<i>Number of shares held in the Company subject to lock-up undertakings upon listing</i>	<i>% of total issued H-shares after the Global Offering subject to lock-up undertakings upon listing</i>	<i>% of shareholding in the Company subject to lock-up undertakings upon listing</i>	<i>Last day subject to the lock-up undertakings</i>
Suzhou Houqi Equity Investment Centre (Limited Partnership) / 蘇州厚齊股權投資中心 (有限合夥)	6,566,080	N/A	1.69%	5 December 2024
Chen Yuhe / 陳玉和	5,957,599 (including 4,788,617 H Shares)	7.24%	1.53%	5 December 2024
Shu Dingming / 舒鼎銘	4,613,359 (including 513,359 H Shares)	0.78%	1.19%	5 December 2024
Changzhou Mailun Investment Centre (Limited Partnership) / 常州麥倫投資中心 (有限合夥)	2,706,767	N/A	0.70%	5 December 2024
Shanghai Xunran Business Consulting Co., Ltd. / 上海潯然商務諮詢有限公司	1,963,636 (including 963,636 H Shares)	1.46%	0.50%	5 December 2024
Xu Wei / 徐偉	1,489,399	N/A	0.38%	5 December 2024
Tang Xiaoping / 唐小平	595,760	N/A	0.15%	5 December 2024
Subtotal	106,509,608 (including 18,174,215 H Shares)	27.49%	27.39%	

The expiry date of the lock-up period shown in the table above is pursuant to the The PRC Company Law.

Directors

<i>Name</i>	<i>Number of shares held in the Company subject to lock-up undertakings upon listing</i>	<i>% of total issued H-shares after the Global Offering subject to lock-up undertakings upon listing</i>	<i>% of shareholding in the Company subject to lock-up undertakings upon listing</i>	<i>Last day subject to the lock-up undertakings</i>
Hu Wei / 胡偉	8,936,398	N/A	2.30%	5 December 2024
Wang Dehui / 王德輝	5,957,599	N/A	1.53%	5 December 2024

<i>Name</i>	<i>Number of shares held in the Company subject to lock-up undertakings upon listing</i>	<i>% of total issued H-shares after the Global Offering subject to lock-up undertakings upon listing</i>	<i>% of shareholding in the Company subject to lock-up undertakings upon listing</i>	<i>Last day subject to the lock-up undertakings</i>
Yao Hailong / 姚海龍	2,978,799	N/A	0.77%	5 December 2024
Subtotal	17,872,796	N/A	4.60%	

The expiry date of the lock-up period shown in the table above is pursuant to the The PRC Company Law.

Existing Shareholders (other than the Pre-IPO Investors as defined in the “History and Corporate Structure” section of the Prospectus)

<i>Name</i>	<i>Number of shares held in the Company subject to lock-up undertakings upon listing</i>	<i>% of total issued H-shares after the Global Offering subject to lock-up undertakings upon listing</i>	<i>% of shareholding in the Company subject to lock-up undertakings upon listing</i>	<i>Last day subject to the lock-up undertakings</i>
Chen Yuxin / 陳育新	44,681,989	N/A	11.49%	5 December 2024
Song Fuxian / 宋福賢	17,872,796 (including 9,004,015 H Shares)	13.62%	4.60%	5 December 2024
Tang Jianyuan / 唐健源	14,893,996 (including 7,219,636 H Shares)	10.92%	3.83%	5 December 2024
Chengdu Zhongcheng Jinyi Enterprise Management Centre (Limited Partnership) / 成都眾誠金宜企業管理中心 (有限合夥)	9,469,072	N/A	2.43%	5 December 2024
Liu Guofeng / 劉國峰	5,957,599 (including 4,809,818 H Shares)	7.27%	1.53%	5 December 2024
Chengdu Tongchuang Deheng Enterprise Management Centre (Limited Partnership) / 成都同創德恒企業管理中心 (有限合夥)	1,723,413	N/A	0.44%	5 December 2024
Subtotal	94,598,865 (including	31.81%	24.33%	

<i>Name</i>	<i>Number of shares held in the Company subject to lock-up undertakings upon listing</i>	<i>% of total issued H-shares after the Global Offering subject to lock-up undertakings upon listing</i>	<i>% of shareholding in the Company subject to lock-up undertakings upon listing</i>	<i>Last day subject to the lock-up undertakings</i>
	21,033,469 H Shares)			

The expiry date of the lock-up period shown in the table above is pursuant to the The PRC Company Law.

Cornerstone Investors

<i>Name</i>	<i>Number of shares held in the Company subject to lock-up undertakings upon listing</i>	<i>% of total issued H-shares after the Global Offering subject to lock-up undertakings upon listing</i>	<i>% of shareholding in the Company subject to lock-up undertakings upon listing</i>	<i>Last day subject to the lock-up undertakings</i>
Xiushan County Xinzhiyuan Market Management Co., Ltd. / 秀山縣欣之園市場管理股份有限公司	4,223,500	6.39%	1.09%	5 June 2024
Guiyang Agricultural Investment Development Co., Ltd. / 貴陽市農業農墾投資發展集團有限公司	4,220,500	6.38%	1.09%	5 June 2024
Quxian Huixing Industrial Investment Co., Ltd. / 渠縣匯興產投實業有限公司	2,109,900	3.19%	0.54%	5 June 2024
Subtotal	10,553,900	15.96%	2.71%	

The Cornerstone Investors shall not dispose of any of the Offer Shares subscribed pursuant to the Cornerstone Investment Agreements on or before the indicated date.

PLACEE CONCENTRATION ANALYSIS

Placees	Number of H Shares allotted	Allotment as % of International Offering	Allotment as % of total Offer Shares	Number of Shares held upon Listing	% of total issued share capital upon Listing
Top 1	4,223,500	17.44%	15.69%	4,223,500	1.09%
Top 5	14,855,900	61.34%	55.20%	14,855,900	3.82%
Top 10	23,155,100	95.60%	86.04%	23,155,100	5.95%
Top 25	24,210,900	99.96%	89.96%	24,210,900	6.23%

Notes

* *Ranking of placees is based on the number of H Shares allotted to the placees.*

H SHAREHOLDERS CONCENTRATION ANALYSIS

H Shareholders*	Number of H Shares allotted	Allotment as % of International Offering	Allotment as % of total Offer Shares	Number of H Shares held upon Listing	% of total issued H Shares capital upon Listing	% of total issued H Shares capital upon Listing	Number of Shares held upon Listing
Top 1	0	0.00%	0.00%	10,098,785	15.27%		11,915,197
Top 5	0	0.00%	0.00%	35,920,871	54.33%		56,597,187
Top 10	14,855,900	61.34%	55.20%	50,776,771	76.80%		71,453,087
Top 25	25,192,400	104.01%	93.61%	64,400,084	97.40%		100,281,779

Notes

* Ranking of H Shareholders is based on the number of H Shares held by the H Shareholders upon Listing.

SHAREHOLDER CONCENTRATION ANALYSIS

Shareholders	Number of H Shares allotted	Allotment as % of International Offering	Allotment as % of total Offer Shares	Number of H Shares held upon Listing	Number of Shares held upon Listing	% of total issued share capital upon Listing
Top 1	0	0.00%	0.00%	0	142,982,367	36.77%
Top 5	0	0.00%	0.00%	16,223,651	272,988,131	70.20%
Top 10	0	0.00%	0.00%	28,132,254	324,160,393	83.36%
Top 25	21,056,900	86.94%	78.24%	60,264,584	379,211,964	97.51%

Notes

* Ranking of Shareholders is based on the number of Shares (of all classes) held by the Shareholder upon Listing.

BASIS OF ALLOCATION UNDER THE HONG KONG PUBLIC OFFERING

Subject to the satisfaction of the conditions set out in the Prospectus, valid applications made by the public will be conditionally allocated on the basis set out below:

Pool A			
NUMBER OF H SHARES APPLIED FOR	NUMBER OF VALID APPLICATIONS	BASIS OF ALLOCATION/BALLOT	APPROXIMATE PERCENTAGE ALLOTTED OF THE TOTAL NUMBER OF H SHARES APPLIED FOR
100	1,092	100 H Shares	100.00%
200	261	200 H Shares	100.00%
300	116	300 H Shares	100.00%
400	36	400 H Shares	100.00%

500	82	500 H Shares	100.00%
600	14	600 H Shares	100.00%
700	17	700 H Shares	100.00%
800	13	800 H Shares	100.00%
900	8	900 H Shares	100.00%
1,000	80	1,000 H Shares	100.00%
1,500	72	1,500 H Shares	100.00%
2,000	14	2,000 H Shares	100.00%
2,500	10	2,500 H Shares	100.00%
3,000	12	3,000 H Shares	100.00%
3,500	3	3,500 H Shares	100.00%
4,000	6	4,000 H Shares	100.00%
4,500	1	4,500 H Shares	100.00%
5,000	13	5,000 H Shares	100.00%
6,000	6	6,000 H Shares	100.00%
7,000	3	7,000 H Shares	100.00%
8,000	2	8,000 H Shares	100.00%
9,000	1	9,000 H Shares	100.00%
10,000	9	10,000 H Shares	100.00%
20,000	5	16,000 H Shares	80.00%
30,000	2	22,000 H Shares	73.33%
40,000	2	28,500 H Shares	71.25%
50,000	2	35,000 H Shares	70.00%
80,000	1	54,600 H Shares	68.25%
90,000	1	61,300 H Shares	68.11%
100,000	2	68,100 H Shares	68.10%
Total	1,886	Total number of Pool A successful applicants: 1,886	

Pool B			
NUMBER OF H SHARES APPLIED FOR	NUMBER OF VALID APPLICATIONS	BASIS OF ALLOCATION/BALLOT	APPROXIMATE PERCENTAGE ALLOTTED OF THE TOTAL NUMBER OF H SHARES APPLIED FOR
200,000	3	77,100 H Shares	38.55%
300,000	2	115,500 H Shares	38.50%
400,000	1	153,900 H Shares	38.48%
700,000	1	269,000 H Shares	38.43%
1,200,000	1	460,400 H Shares	38.37%
Total	8	Total number of Pool B successful applicants: 8	

As of the date of this announcement, the relevant subscription monies previously deposited in the designated nominee accounts have been remitted back to the accounts of all HKSCC participants. Investors should contact their relevant brokers for any inquiries.

COMPLIANCE WITH LISTING RULES AND GUIDANCE

The Directors confirm that, except for the Listing Rules that have been waived and/or in respect of which consent has been obtained, the Company has complied with the Listing Rules and guidance materials in relation to the placing, allotment and listing of the Company's shares.

The Directors confirm that, to the best of their knowledge, the consideration paid by the placees or the public (as the case may be) directly or indirectly for each Offer Share subscribed for or purchased by them was the same as the final Offer Price in addition to any brokerage, AFRC transaction levy, SFC transaction levy and trading fee payable.

OTHERS / ADDITIONAL INFORMATION

Placing of Offer Shares to Connected Clients

Under the International Offering, 1,043,200 Offer Shares, representing approximately 3.88% of the total number of Offer Shares available under the Global Offering and approximately 0.27% of the total issued share capital of the Company upon Listing, were placed to Galaxy Jinhui Security Asset Management Corporation Limited (“Galaxy Jinhui”) as placee which is a connected client of China Galaxy International Securities (Hong Kong) Co., Limited (“CGIS”) within the meaning of the Placing Guidelines. Each of Galaxy Jinhui and CGIS is a wholly-owned subsidiary of China Galaxy Securities Co., Ltd. The Shares placed to Galaxy Jinhui are held by it on a discretionary basis on behalf of an independent third party, namely Shanghai Helioson Pharmaceutical Co. (“Shanghai Helioson ”), which is not connected to the Company for the purpose of the Listing Rules.

Galaxy Jinhui was engaged by Shanghai Helioson, as an asset manager that is a qualified domestic institutional investor (QDII) as approved by the relevant PRC authority, to subscribe for and hold such number of Offer Shares as set out herein on a discretionary basis on behalf of Shanghai Helioson.

The Company has applied to the Stock Exchange for, and the Stock Exchange has granted to the Company, its consent under paragraph 5(1) of the Placing Guidelines to permit the Company to allocate Offer Shares in the International Offering to Galaxy Jinhui. The Offer Shares allocated to Galaxy Jinhui is in compliance with all the conditions under the consent granted by the Stock Exchange.

Public Float

The Company have applied to the Stock Exchange to exercise its discretion under Rule 8.08(1)(d) of the Listing Rules to grant, and the Stock Exchange has granted, a waiver from strict compliance with the minimum public float requirement under Rule 8.08(1)(a) of the Listing Rules so that the minimum percentage of the Shares from time to time to be held by the public will be 17.0% of the total issued share capital of our Company (including the H Shares to be converted from Domestic Shares and held by the existing shareholders of the Company, and assuming the Conversion of Domestic Shares into H Shares is completed).

The Directors confirm that immediately after the Global Offering, (i) the three largest public Shareholders do not hold more than 50% of the shares held in public hands at the time of the Listing in compliance with Rule 8.08(3) and Rule 8.24 of the Listing Rules; (ii) there will not be any new substantial shareholder (as defined in the Listing Rules) of the Company; and (iii) there will be at least 300 Shareholders at the time of the Listing in compliance with Rule 8.08(2) of the Listing Rules.

DISCLAIMERS

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and Hong Kong Securities Clearing Company Limited (“HKSCC”) take no

responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is not for release, publication, distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia). This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The securities mentioned herein have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”). The securities may not be offered or sold in the United States except pursuant to an exemption from the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws, or outside the United States unless in compliance with Regulation S under the U.S. Securities Act. There will be no public offer of securities in the United States.

The Offer Shares are being offered and sold (1) solely to qualified institutional buyers as defined in Rule 144A under the U.S. Securities Act pursuant to an exemption from registration under the U.S. Securities Act and (2) outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities. This announcement is not a prospectus. Potential investors should read the Prospectus dated 27 November 2023 issued by Dekon Food and Agriculture Group for detailed information about the Global Offering described below before deciding whether or not to invest in the Shares thereby being offered.

**Potential investors of the Offer Shares should note that the Joint Representatives (for themselves and on behalf of the Hong Kong Underwriters) shall be entitled to terminate their obligations under the Hong Kong Underwriting Agreement with immediate effect upon the occurrence of any of the events set out in the paragraph headed “Underwriting – Underwriting Arrangements and Expenses – Hong Kong Public Offering – Hong Kong Underwriting Agreement – Grounds for Termination” in the Prospectus at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date (which is currently expected to be on 6 December 2023).*

By order of the Board
Dekon Food and Agriculture Group
四川德康農牧食品集團股份有限公司

Wang Dehui
Chairman of the Board and Executive Director

Hong Kong, December 5, 2023

As at the date of this announcement, the directors and proposed directors of the Company comprise Mr. Wang Dehui, Mr. Wang Degen, Mr. Yao Hailong, Mr. Hu Wei and Mr. Zeng Min as executive Directors; Ms. Liu Shan as non-executive Director; Mr. Pan Ying, Mr. Zhu Qing and Mr. Fung Che Wai, Anthony as independent non-executive Directors.