# CHINA MENGNIU DAIRY COMPANY LIMITED

## 中國蒙牛乳業有限公司*

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2319)**

## ANNOUNCEMENT OF THE INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

### HIGHLIGHTS

- In the first half of 2025, due to persistent oversupply of raw milk and lower-than-expected consumer demand recovery, the supply and demand imbalance in the dairy industry continued. The Group delivered a revenue of RMB41,567.2 million, representing a year-on-year decrease of 6.9%. Gross profit margin increased by 1.4 percentage points year-on-year to 41.7%.

- By proactively navigating external challenges and resolutely promoting the implementation of the “One Core, Two Wings (一體兩翼)” strategy, accelerating channel optimisation and new business development, while strengthening and refining operations and improving quality and efficiency, and comprehensively driving high-quality development, the Group achieved an operating profit of RMB3,538.2 million, with operating profit margin increasing by 1.5 percentage points year-on-year to 8.5%. Profit attributable to owners amounted to RMB2,045.5 million.

- The Group proactively embraced consumers’ growing demand for basic nutrition, premium quality, and diverse or personalised nutritional options. Over one hundred new products were launched in the first half of the year, leading the way in ensuring that consumers “Drink More”, “Drink Good”, and “Drink Right”. During the reporting period, specialised categories including chilled yogurt, fresh milk, milk formula, cheese and ice products demonstrated growth trends, with initial results emerging from the optimisation of product portfolio structure.

* *For identification purposes only*

- The Group is always committed to create long-term value to the Shareholders and generate stable and sustainable returns for the Shareholders. As an important measure to improve the value to the Shareholders, the Group will continue to implement repurchase of the Shares in the following 12 months, with plans no less than the scale of repurchase conducted in the previous 12 months, so as to continuously enhance the earnings per Share and value to the Shareholders, while demonstrating the Board's firm confidence in the Group's long-term development and Share price.

- The Group continually implemented its "GREEN" sustainability strategy and "dual carbon strategic goals" through continuously improving its disclosure of sustainability information and actively promoting key issues such as green supply chain, sustainable water resource management, green packaging and responsible procurement, thus guiding upstream and downstream along the industrial chain towards a greener and more sustainable future.

The board (the "Board") of directors (the "Directors") of China Mengniu Dairy Company Limited (the "Company") is pleased to present the unaudited consolidated interim results of the Company and its subsidiaries (the "Group" or "Mengniu") for the six months ended 30 June 2025, together with the comparative amounts. The interim results and interim financial information have been reviewed by the audit committee (the "Audit Committee") and the auditors of the Company.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*for the six months ended 30 June 2025 — unaudited*
*(Expressed in Renminbi ("RMB"))*

| | | Six months ended 30 June | |
|---|---|---|---|
| | | **2025** | 2024 |
| | *Notes* | ***RMB'000*** | *RMB'000* |
| **Revenue** | *4* | **41,567,160** | 44,670,500 |
| Cost of sales | | **(24,214,846)** | (26,685,822) |
| **Gross profit** | | **17,352,314** | 17,984,678 |
| Other income and gains | *5* | **401,714** | 738,047 |
| Selling and distribution expenses | | **(11,614,279)** | (12,680,483) |
| Administrative expenses | | **(1,947,350)** | (1,941,034) |
| Impairment losses on trade receivables and other financial assets, net | | **(115,374)** | (88,567) |
| Loss on derecognition of financial assets measured at amortised cost | | **(17,291)** | (16,728) |
| Other expenses | *6* | **(568,107)** | (752,766) |
| Interest income | | **539,957** | 914,126 |
| Finance costs | | **(608,065)** | (884,270) |
| Share of results of associates | | **(585,078)** | (170,713) |
| **Profit before tax** | *7* | **2,838,441** | 3,102,290 |
| Income tax expense | *8* | **(684,459)** | (570,267) |
| **Profit for the period** | | **2,153,982** | 2,532,023 |
| Attributable to: | | | |
| Owners of the Company | | **2,045,524** | 2,445,810 |
| Non-controlling interests | | **108,458** | 86,213 |
| | | **2,153,982** | 2,532,023 |
| **Earnings per share attributable to ordinary equity holders of the Company (expressed in RMB per share)** | *10* | | |
| Basic | | **0.523** | 0.623 |
| Diluted | | **0.523** | 0.622 |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*for the six months ended 30 June 2025 — unaudited*
*(Expressed in RMB)*

| | Six months ended 30 June | |
|---|---|---|
| | **2025** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| **Profit for the period** | **2,153,982** | 2,532,023 |
| **Other comprehensive income** | | |
| *Other comprehensive income that may be reclassified to profit or loss in subsequent periods:* | | |
| Exchange differences on translation of foreign operations | **252,591** | (321,888) |
| Effective portion of changes in fair value of hedging instruments arising during the period | | |
| — Total hedging loss recognised in other comprehensive income (excluding exchange differences) | **(116,442)** | 102,492 |
| — Amount reclassified from other comprehensive income to profit or loss | **(30,796)** | (97,365) |
| **Net other comprehensive income that may be reclassified to profit or loss in subsequent periods** | **105,353** | (316,761) |
| *Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:* | | |
| Exchange differences on translation | **(184,738)** | (24,361) |
| Equity investments designated at fair value through other comprehensive income: | | |
| — Changes in fair value | **19,103** | (4,580) |
| **Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods** | **(165,635)** | (28,941) |
| **Other comprehensive income, net of tax** | **(60,282)** | (345,702) |
| **Total comprehensive income for the period** | **2,093,700** | 2,186,321 |
| Attributable to: | | |
| Owners of the Company | **2,042,978** | 2,133,009 |
| Non-controlling interests | **50,722** | 53,312 |
| | **2,093,700** | 2,186,321 |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*at 30 June 2025 — unaudited*
*(Expressed in RMB)*

| | Notes | At 30 June 2025 RMB'000 | At 31 December 2024 RMB'000 |
|---|---|---|---|
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | | **19,960,627** | 20,905,216 |
| Construction in progress | | **2,450,058** | 2,278,028 |
| Investment properties | | **20,918** | 57,775 |
| Right-of-use assets | | **2,567,008** | 2,584,719 |
| Goodwill | | **7,672,707** | 7,677,836 |
| Other intangible assets | | **8,876,265** | 8,829,053 |
| Investments in associates | | **8,988,569** | 9,648,894 |
| Deferred tax assets | | **996,765** | 930,170 |
| Derivative financial instruments | | **53,801** | 241,794 |
| Other financial assets | | **11,996,069** | 16,205,547 |
| Long-term prepayments | | **1,213,304** | 1,165,975 |
| **Total non-current assets** | | **64,796,091** | 70,525,007 |
| **CURRENT ASSETS** | | | |
| Other financial assets | | **8,875,451** | 8,138,860 |
| Derivative financial instruments | | **24,253** | 8,582 |
| Inventories | | **4,706,256** | 4,936,666 |
| Trade and bills receivables | *11* | **3,275,259** | 3,261,858 |
| Prepayments, other receivables and other assets | | **2,024,623** | 1,979,279 |
| Pledged deposits | | **441,157** | 103,383 |
| Cash and bank balances | | **15,649,097** | 17,339,157 |
| **Total current assets** | | **34,996,096** | 35,767,785 |

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** *(continued)*
*at 30 June 2025 — unaudited*
*(Expressed in RMB)*

| | Notes | At 30 June 2025 RMB'000 | At 31 December 2024 RMB'000 |
|---|---|---|---|
| **CURRENT LIABILITIES** | | | |
| Trade and bills payables | *12* | **8,162,236** | 8,647,226 |
| Other payables and accruals | | **10,354,547** | 11,244,088 |
| Interest-bearing bank and other borrowings | | **17,996,825** | 16,661,575 |
| Derivative financial instruments | | **25,169** | 38,276 |
| Income tax payable | | **545,236** | 370,787 |
| Other financial liabilities | | **46,952** | 44,608 |
| **Total current liabilities** | | **37,130,965** | 37,006,560 |
| **NET CURRENT LIABILITIES** | | **(2,134,869)** | (1,238,775) |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | **62,661,222** | 69,286,232 |
| **NON-CURRENT LIABILITIES** | | | |
| Interest-bearing bank and other borrowings | | **11,706,102** | 17,975,625 |
| Deferred income | | **731,213** | 728,274 |
| Deferred tax liabilities | | **2,199,485** | 2,556,842 |
| **Total non-current liabilities** | | **14,636,800** | 21,260,741 |
| **NET ASSETS** | | **48,024,422** | 48,025,491 |

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** *(continued)*
*at 30 June 2025 — unaudited*
*(Expressed in RMB)*

| | **At 30 June 2025** *RMB'000* | At 31 December 2024 *RMB'000* |
|---|---|---|
| **EQUITY** | | |
| Equity attributable to owners of the Company | | |
| Share capital | **356,013** | 356,662 |
| Shares held under share award scheme | **(82,677)** | (114,293) |
| Treasury shares | **(84,391)** | (17,981) |
| Other reserves | **7,778,768** | 8,105,166 |
| Retained earnings | **33,386,302** | 33,232,733 |
| | **41,354,015** | 41,562,287 |
| Non-controlling interests | **6,670,407** | 6,463,204 |
| **TOTAL EQUITY** | **48,024,422** | 48,025,491 |

## NOTES

*(Expressed in RMB unless otherwise indicated)*

### 1 BASIS OF PREPARATION

This interim financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard 34 ("IAS 34"), *Interim financial reporting*, issued by the International Accounting Standards Board ("IASB"), and Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 27 August 2025.

The interim financial information has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in Note 2.

The preparation of an interim financial information in conformity with IAS 34 and HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards and HKFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA.

The financial information relating to the financial year ended 31 December 2024 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2024 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 26 March 2025.

As at 30 June 2025, the Group's current liabilities exceeded its current assets by RMB2,134,869,000. Notwithstanding the above, considering the performance and cashflow forecast for the twelve months ending 30 June 2026 prepared by management of the Group, the directors of the Group are of the opinion that the Group has sufficient financial resources to continue as a going concern for the next twelve months. Therefore, the directors of the Group are satisfied that it is appropriate to prepare the interim financial report on a going concern basis.

## 2 CHANGES IN ACCOUNTING POLICIES

The Group has applied the amendments to IAS 21, *The effects of changes in foreign exchange rates — Lack of exchangeability* issued by the IASB to this interim financial information for the current accounting period. The amendments do not have a material impact on this interim financial report as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The equivalent amendments to HKAS, consequently issued by the HKICPA as a result of these developments, have the same effective date as those issued by the IASB and are in all material aspects identical to the pronouncements issued by the IASB.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

## 3 OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has five reportable operating segments as follows:

- Liquid milk business — manufacture and distribution of ultra-high temperature milk ("UHT milk"), milk beverages, yogurt and fresh milk;
- Ice cream business — manufacture and distribution of dairy-based ice cream;
- Milk formula business — manufacture and distribution of milk powder;
- Cheese business — manufacture and distribution of cheese; and
- Others — principally the Group's manufacture of raw materials for dairy products and trading business.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that interest income, non-lease-related finance costs, share of results of associates, income tax expense, as well as head office and corporate income/expenses are excluded from such measurement.

Segment assets exclude investments in associates and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude liabilities of other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

## 3 OPERATING SEGMENT INFORMATION *(continued)*

The following tables present the revenue, profit and certain asset and liability information for the Group's operating segments:

**Six months ended 30 June 2025**

| | Liquid milk business *RMB'000* | Ice cream business *RMB'000* | Milk formula business *RMB'000* | Cheese business *RMB'000* | Others *RMB'000* | Total *RMB'000* |
|---|---|---|---|---|---|---|
| **Segment revenue *(Note 4)*:** | | | | | | |
| Sales to external customers | **32,191,710** | **3,878,512** | **1,675,575** | **2,373,926** | **1,447,437** | **41,567,160** |
| Intersegment sales | **630,535** | **16,761** | **89,207** | **3,767** | **176,988** | **917,258** |
| | **32,822,245** | **3,895,273** | **1,764,782** | **2,377,693** | **1,624,425** | **42,484,418** |
| *Reconciliation:* | | | | | | |
| Elimination of intersegment sales | | | | | | **(917,258)** |
| Revenue | | | | | | **41,567,160** |
| **Segment results** | **2,640,480** | **614,714** | **99,637** | **229,144** | **(133,561)** | **3,450,414** |
| *Reconciliation:* | | | | | | |
| Interest income | | | | | | **539,957** |
| Finance costs (other than interest on lease liabilities) | | | | | | **(581,292)** |
| Share of results of associates | | | | | | **(585,078)** |
| Corporate and other unallocated income | | | | | | **14,440** |
| Profit before tax | | | | | | **2,838,441** |
| Income tax expense | | | | | | **(684,459)** |
| Profit for the period | | | | | | **2,153,982** |
| **At 30 June 2025** | | | | | | |
| **Segment assets** | **66,659,595** | **7,347,586** | **10,693,362** | **16,557,786** | **2,783,995** | **104,042,324** |
| *Reconciliation:* | | | | | | |
| Elimination of intersegment receivables | | | | | | **(29,450,171)** |
| Corporate and other unallocated assets | | | | | | **16,211,465** |
| Investments in associates | | | | | | **8,988,569** |
| Total assets | | | | | | **99,792,187** |
| **Segment liabilities** | **22,834,551** | **3,946,561** | **4,980,145** | **5,143,285** | **2,388,829** | **39,293,371** |
| *Reconciliation:* | | | | | | |
| Elimination of intersegment payables | | | | | | **(29,450,171)** |
| Corporate and other unallocated liabilities | | | | | | **41,924,565** |
| Total liabilities | | | | | | **51,767,765** |

## 3 OPERATING SEGMENT INFORMATION *(continued)*

### Six months ended 30 June 2024

| | Liquid milk business *RMB'000* | Ice cream business *RMB'000* | Milk formula business *RMB'000* | Cheese business *RMB'000* | Others *RMB'000* | Total *RMB'000* |
|---|---|---|---|---|---|---|
| **Segment revenue *(Note 4)*:** | | | | | | |
| Sales to external customers | 36,261,544 | 3,371,448 | 1,635,262 | 2,114,319 | 1,287,927 | 44,670,500 |
| Intersegment sales | 544,209 | 26,260 | 12,016 | 4,791 | 224,504 | 811,780 |
| | 36,805,753 | 3,397,708 | 1,647,278 | 2,119,110 | 1,512,431 | 45,482,280 |
| *Reconciliation:* | | | | | | |
| Elimination of intersegment sales | | | | | | (811,780) |
| Revenue | | | | | | 44,670,500 |
| **Segment results** | 2,551,326 | 384,750 | 23,483 | 118,585 | 95,719 | 3,173,863 |
| *Reconciliation:* | | | | | | |
| Interest income | | | | | | 914,126 |
| Finance costs (other than interest on lease liabilities) | | | | | | (866,003) |
| Share of results of associates | | | | | | (170,713) |
| Corporate and other unallocated income | | | | | | 51,017 |
| Profit before tax | | | | | | 3,102,290 |
| Income tax expense | | | | | | (570,267) |
| Profit for the period | | | | | | 2,532,023 |
| **At 31 December 2024** | | | | | | |
| **Segment assets** | 72,343,961 | 6,557,712 | 10,514,131 | 15,665,834 | 2,280,785 | 107,362,423 |
| *Reconciliation:* | | | | | | |
| Elimination of intersegment receivables | | | | | | (29,518,016) |
| Corporate and other unallocated assets | | | | | | 18,799,491 |
| Investments in associates | | | | | | 9,648,894 |
| Total assets | | | | | | 106,292,792 |
| **Segment liabilities** | 25,498,100 | 4,235,873 | 5,354,871 | 4,258,244 | 1,870,890 | 41,217,978 |
| *Reconciliation:* | | | | | | |
| Elimination of intersegment payables | | | | | | (29,518,016) |
| Corporate and other unallocated liabilities | | | | | | 46,567,339 |
| Total liabilities | | | | | | 58,267,301 |

## 4 REVENUE

An analyses of the revenue are as follows:

| | Six months ended 30 June | |
|---|---|---|
| | **2025** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| Revenue from contracts with customers: | | |
| Sale of goods | **41,543,969** | 44,645,616 |
| Consignment processing services | **23,191** | 24,884 |
| | **41,567,160** | 44,670,500 |

## 5 OTHER INCOME AND GAINS

| | Six months ended 30 June | |
|---|---|---|
| | **2025** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| Government grants | **144,296** | 285,017 |
| Foreign exchange gain, net | **47,787** | — |
| Net fair value gain on exchangeable bonds | **—** | 15,960 |
| Gain on disposal of subsidiaries | **—** | 269,387 |
| Gross rental income | **7,735** | 12,188 |
| Net fair value gain on listed equity investment at fair value through profit or loss | **4,521** | 46,803 |
| Others | **197,375** | 108,692 |
| | **401,714** | 738,047 |

## 6 OTHER EXPENSES

| | Six months ended 30 June | |
|---|---|---|
| | **2025** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| Educational surcharges, city construction tax, and other taxes | **252,386** | 243,888 |
| Write-down of inventories to net realisable value | **222,264** | 346,145 |
| Net fair value loss on exchangeable bonds | **23,186** | — |
| Donations | **18,183** | 49,502 |
| Net loss on disposal of property, plant and equipment | **11,764** | 10,887 |
| Loss on disposal of a subsidiary | **2,867** | — |
| Foreign exchange losses, net | **—** | 45,766 |
| Others | **37,457** | 56,578 |
| | **568,107** | 752,766 |

## 7 PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

| | | Six months ended 30 June | |
|---|---|---|---|
| | | **2025** | 2024 |
| | *Notes* | ***RMB'000*** | *RMB'000* |
| Cost of inventories sold | | **24,183,915** | 26,664,114 |
| Cost of consigned processing services | | **30,931** | 21,708 |
| Impairment of trade receivables and other financial assets, net | | **115,374** | 88,567 |
| Depreciation of property, plant and equipment | | **1,449,449** | 1,464,892 |
| Depreciation of right-of-use assets | | **170,344** | 184,131 |
| Depreciation of investment properties | | **1,191** | 2,258 |
| Amortisation of other intangible assets | | **69,122** | 67,107 |
| Outsourcing expenses | *(a)* | **74,991** | 72,967 |
| Other rental expenses | | **239,174** | 252,701 |
| Employee benefit expense (including directors' and senior executive's emoluments) | *(b)* | **3,923,919** | 4,204,235 |

*Notes:*

(a) For the purpose of promoting operation efficiency, the Group outsourced the production of certain products. The amounts represent the total amounts paid by the Group for purchasing outsourcing services.

(b) The employees of the subsidiaries of the Group established in the PRC (other than Hong Kong) participate in defined contribution retirement benefit scheme managed by the local government authority, whereby these subsidiaries are required to contribute to the scheme ranging from 16% to 20% of the employees' basic salaries. Employees of these subsidiaries are entitled to retirement benefits, calculated based on a percentage of the average salaries level in the PRC (other than Hong Kong), from the above mentioned retirement scheme at their normal retirement age.

The Group also operated a Mandatory Provident Fund Scheme (the "MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance and not previously covered by the defined benefit retirement plan.

The Group has no further obligation for payment of other retirement benefits beyond the above contributions.

## 8 INCOME TAX EXPENSE

### (a) Taxation in the consolidated statement of profit or loss represents:

| | Six months ended 30 June | |
|---|---|---|
| | **2025** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| **Current income tax** | | |
| Current income tax charge | **891,531** | 662,997 |
| **Deferred income tax** | | |
| Relating to origination and reversal of tax losses and temporary differences | **(207,072)** | (92,730) |
| | **684,459** | 570,267 |

*Notes:*

(i) The provision for the income tax is based on the statutory rate of 25% (2024: 25%) on the estimated taxable profits determined in accordance with the Law of the People's Republic of China on Corporate Income Tax ("PRC CIT Law"), except for certain subsidiaries of the Group which enjoy a preferential tax rate according to related tax policies or certain subsidiaries in other jurisdictions. Certain subsidiaries of the Company entitle to the preferential tax rate of 15% (2024: 15%), and certain research and development expenses of these companies are qualified for 100% (2024: 100%) additional deduction for tax purpose.

(ii) Pursuant to the income tax rules and regulations of Cayman Islands and the British Virgin Islands ("BVI"), the Group is not subject to income tax in Cayman Islands and the BVI.

(iii) The provision for Hong Kong Profits Tax is calculated by applying at 16.5% (2024: 16.5%) of the estimated assessable profits for the six months ended 30 June 2025.

(iv) The provision for Australia, New Zealand and Indonesia Profit Tax is calculated by applying at 30%, 28% and 22%, respectively (2024: 30%, 28% and 25%, respectively), of the estimated assessable profits for the six months ended 30 June 2025.

(v) Certain subsidiaries were granted lower tax rates by the state tax bureau in accordance with the PRC CIT law and the corresponding transitional tax concession policy and "The notice of tax policies relating to the implementation of the western China development strategy".

(vi) Certain subsidiaries were granted tax exemptions in accordance with the policy of "The notice of preferential tax policy for preliminary processing of agriculture products".

## 8 INCOME TAX EXPENSE *(continued)*

### (b) Pillar Two income tax

The Group is part of a multinational enterprise group which is subject to the Global Anti-Base Erosion Model Rules ("Pillar Two model rules") published by the Organisation for Economic Co-operation and Development.

From 1 January 2024, the Group's earnings in Netherlands, Vietnam and Australia are subject to the domestic minimum top-up tax that was introduced by Netherlands, Vietnam and Australia with effect from 1 January 2024.

From 1 January 2025, the Group is also liable to Pillar Two income taxes under the Hong Kong Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025 for its earnings in the Hong Kong SAR and certain other jurisdictions where a domestic minimum top-up tax has not been implemented, including the Chinese Mainland.

The Group has applied the temporary mandatory exception from deferred tax accounting for the top-up tax and accounted for the tax as current tax when incurred. No Pillar Two income tax was recognised during the six months ended 30 June 2025. The Group is in the process of making a continuous assessment of what the impact of Pillar Two model is expected to be on the income taxes.

## 9 DIVIDENDS

### (a) Dividends payable to equity shareholders of the Group attributable to the interim period

The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

### (b) Dividends payable to equity shareholders of the Group attributable to the previous financial year, approved during the interim period

| | **Six months ended 30 June** | |
|---|---|---|
| | **2025** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| Final dividend in respect of the previous financial year of RMB0.509 (the corresponding period in 2024: RMB0.489) per ordinary share | **1,991,229** | 1,924,358 |

## 10 EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

### (a) Basic earnings per share

The basic earnings per share amounts for the period is calculated by dividing the profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the six months ended 30 June 2025.

A reconciliation of the weighted average number of shares used in calculating the basic earnings per share amount are as follows:

| | Six months ended 30 June | |
|---|---|---|
| | **2025** | 2024 |
| | **Number of shares** | Number of shares |
| | ***(in thousand)*** | *(in thousand)* |
| Issued ordinary shares at 1 January | **3,919,105** | 3,935,293 |
| Effect of shares purchased | **(8,119)** | (6,333) |
| Weighted average number of ordinary shares for the purpose of the basic earnings per share calculation | **3,910,986** | 3,928,960 |

### (b) Diluted earnings per share

The diluted earnings per share amounts is calculated by dividing the profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

A reconciliation of the weighted average number of shares used in calculating the diluted earnings per share amount are as follows:

| | Six months ended 30 June | |
|---|---|---|
| | **2025** | 2024 |
| | **Number of shares** | Number of shares |
| | ***(in thousand)*** | *(in thousand)* |
| Weighted average number of ordinary shares for the purpose of the basic earnings per share calculation | **3,910,986** | 3,928,960 |
| Effect of dilution — Weighted average number of ordinary shares: | | |
| Share awards | **830** | 4,323 |
| Weighted average number of ordinary shares for the purpose of the diluted earnings per share calculation | **3,911,816** | 3,933,283 |

## 11 TRADE AND BILLS RECEIVABLES

The Group normally allows a credit limit to its customers which is adjustable in certain circumstances. The Group closely monitors overdue balances. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivables. The trade receivables are non-interest-bearing.

The Group sold non-recourse trade receivables to third parties for cash proceeds. These trade receivables have been derecognised from the consolidated statement of financial position, because the Group transfers substantially all of the risks and rewards, primarily credit risk.

Based on the Group's accounting policy of financial assets, the Group measured bills receivable at fair value through other comprehensive income.

An ageing analyses of the trade and bills receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, are as follows:

| | **At 30 June 2025** | At 31 December 2024 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Less than 1 year | **3,201,966** | 3,196,187 |
| 1 to 2 years | **61,529** | 51,613 |
| 2 to 3 years | **11,730** | 13,650 |
| Over 3 years | **34** | 408 |
| | **3,275,259** | 3,261,858 |

## 12 TRADE AND BILLS PAYABLES

An ageing analyses of the trade and bills payables as at the end of the reporting period, based on the invoice date, are as follows:

| | **At 30 June 2025** | At 31 December 2024 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Within 3 months | **7,163,260** | 7,718,407 |
| 4 to 6 months | **912,086** | 889,320 |
| 7 to 12 months | **52,765** | 10,852 |
| Over 1 year | **34,125** | 28,647 |
| | **8,162,236** | 8,647,226 |

## MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

In the first half of 2025, raw milk prices declined year-on-year. Oversupply persisted in the short term, while demand recovery fell short of expectations. The imbalance between supply and demand persisted, presenting ongoing challenges for the dairy industry in the short term amid dual pressures from the broader consumption environment and industry cycles. However, the industry still holds vast long-term potential and structural development opportunities. In terms of policy, the General Office of the Communist Party of China Central Committee and the General Office of the State Council of the PRC have successively issued policies such as the "Special Initiatives to Boost Consumption" (《提振消費專項行動方案》) and the "Implementation Scheme for the Childcare Subsidy System" (《育兒補貼制度實施方案》) within the year, which are expected to stimulate domestic demand, enhance consumer confidence, and inject momentum for recovery into the dairy industry. In terms of demand, consumer health awareness continues to rise, and as a result, the resilience of dairy product demand remains positive. In a market environment where rational consumption coexists with premiumisation, consumers show increased demand for dairy products that offer both high quality and good value. The pursuit of emotional value and exceptional experiences by newer generations of consumers is becoming increasingly prominent. Meanwhile, consumers' nutritional preferences are becoming more diverse and segmented, with growing demand for diversified, personalised, and functional products. The rapid development of new technologies, products, business models, and industry ecosystems will effectively drive the rationalisation of China's dairy product categories and the diversification of consumption trends, bringing opportunities for structural upgrading.

During the reporting period, faced with a new environment and evolving industry dynamics, Mengniu continued to focus on high-quality growth by comprehensively implementing its "One Core, Two Wings" strategy, continuously strengthening the foundation of its six core dairy businesses, and driving diversification of its product portfolio. At the same time, it accelerated the development of its "Two Wings" businesses, achieving key technological breakthroughs and successful commercialisation in nutrition and health, with international business revenue growing rapidly and the breadth and depth of its overseas market coverage expanding. These factors injected new momentum into Mengniu's development. With respect to operations, Mengniu continued to pursue operational excellence through measures such as lean management to enhance quality and efficiency, prudent expenditure allocation, and digital transformation. These initiatives strongly enhanced organisational performance, improved responsiveness to market changes, and enhanced operational efficiency, resulting in a steady increase in operating profit margins while maintaining stable, free cash flow.

Meanwhile, to further ease industry supply-demand imbalances, enhance product category diversification and supply chain efficiency, and drive sustainable growth across market cycles, Mengniu adheres to its original mission of "500g of milk a day to keep Chinese People strong", leading the way in ensuring that people "Drink More", "Drink Good", and "Drink Right". During the reporting period, in response to consumers' growing demand for basic nutrition, premium quality, and diverse or personalised nutritional options, Mengniu has further strengthened category diversification and structural optimisation. It launched multiple pure milk products that offer both value for money and quality, continued to actively develop lactose-free products, and continuously reinforced the long-term category education mechanisms to expand the dairy-consuming population and establish dairy products as a universal necessity. Simultaneously, the Company focused on specific consumer segments and niche usage scenarios through continuous innovation, developing more premium milk products along with functional and precision-nutrition dairy solutions to unlock growth potential in niche markets. The Company also accelerated the development of its cheese business, promoting diverse consumption scenarios that shift from drinking milk to eating cheese, and expediting Mengniu's strategic expansion into processed dairy categories to move up the value chain.

Currently, the distribution channel landscape is becoming increasingly diversified, with Mengniu accelerating channel optimisation and restructuring. While refining and optimising traditional and modern channel strategies, Mengniu continues to build an omni-channel business model that integrates both online and offline channels. This helps accelerate coverage in lower-tier markets, and deepens partnerships with high-growth channels such as membership stores, snack bulk retailers, instant retail, content e-commerce, and live-streaming e-commerce. The Company is also accelerating the development of customised products and expanding into rapidly growing B-end business sectors such as tea and coffee, and bakery. The Company has partnered with multiple leading domestic and international brands to drive sales conversions from multiple angles. Additionally, Mengniu continues to advance the digital transformation of its business, with a focus on enhancing channel efficiency, reducing supply chain costs and improving consumer services. This systematic undertaking and integrated transformation of its entire value chain will unlock full efficiency potential and develop new-quality productive forces in the dairy industry.

***Liquid Milk Business***

The revenue amounted to RMB32,191.7 million (2024: RMB36,261.5 million), accounting for 77.4% of Mengniu's total revenue (2024: 81.2%).

***Room Temperature Product Business***

In the first half of 2025, the room temperature dairy category continued to face challenges such as weak consumer confidence and demand, periodic raw milk surplus in the industry, and imbalanced supply and demand. However, consumers' demands for cost performance, quality-value ratio, emotional value, and immersive experience are growing. There remains significant growth potential for liquid milk that are more naturally pure, nutritious, and feature advanced nutritional benefits. The room temperature business unit proactively addressed these external challenges while capitalising on evolving consumer needs and channel transformation trends. Through strengthened category education, optimised product mix, adjusted pricing strategies, long-term brand building commitments, and refined channel strategies, the Company continued to accelerate the development of its high-quality growth model.

For *Milk Deluxe*, Mengniu continued to deepen its brand idea of "better". *Milk Deluxe* Desert Organic offers a differentiated high-end milk product that is strengthening brand leadership. By upgrading its organic slim-pack product line with premium desert milk sources, the brand centred its narrative around the "Ulan Buh Desert Traceability Journey", highlighting the superior quality of its desert-sourced milk. This initiative successfully drove sales and market share of its organic series. The newly launched 200ml Master Limited Version achieved rapid sales breakthroughs, boosting *Milk Deluxe*'s brand share. Additionally, the brand expanded into specialised categories such as organic and A2 β-casein milk, comprehensively supporting consumers in their pursuit of "Drink Good".

The room temperature business unit actively optimised the structure of key categories such as basic white milk, steadily increasing the market share of bulk white milk. It also accelerated responses to meet channel-specific demand for customised products by speeding up the development, launch, and supply of personalised products. Meanwhile, with respect to the precision nutrition segment, Mengniu has launched a new range of products including high-calcium milk, prebiotic milk, and vitamin milk under the Mengniu brand. These innovations are tailored to different consumer groups, further supporting the Company's goal of promoting "Drink More" and "Drink Right".

For *Just Yoghurt*, Mengniu returned to flavour-centric marketing, making breakthrough innovations in brand tonality, packaging design, and in-store display with a focus on "delicious, interesting and charming" combinations. *Fruit Milk Drink* concentrated on its "real fruit granules marketing" category moat strategy to enhance consumer awareness of its "real fruit pulp" value proposition. Blossom Fruit Yogurt Smoothies saw a sequential increase in market share, solidifying its leadership in the fruit-containing dairy beverage market and deepening its category moat. *Suan Suan Ru* expanded horizontally into campus channels to strengthen engagement with young consumers and vertically penetrated distribution networks in lower-tier markets to stabilise its channel presence.

In response to the growing trend of channel diversification and consumers' demand for quality-value ratios, the room temperature business unit continued to optimise its channel strategy. Priorities included the reconstructing of the RTM channel ecosystem and the establishment of a collaborative system between online distributors and offline dealers, driving rapid growth in the number of online distributors and achieving steady expansion of new retail channel membership. On the market expansion front, the unit has focused on accelerating its presence in lower-tier markets, breaking through underperforming regions, and deepening its reach in stronghold regions. Additionally, the room temperature business unit continued to expand its cooperation with emerging growth channels such as member warehouse supermarkets and snack foods, accelerated the development of customised products, and promoted the launch of more new products in stores.

***Chilled Product Business***

In the first half of 2025, the chilled product industry continued its recovery, and Mengniu yogurt sales continued to outperform the category. Mengniu's chilled product division achieved 21 consecutive years of market leadership through multiple initiatives, including brand marketing, category value innovation, product structure optimisation, and enhanced channel development.

Mengniu focused on its positioning as "20 years of craftsmanship in premium yogurt" and created 5A premium yogurt with a rich and original flavour, bringing consumers Mengniu yogurt and a world-class experience. Mengniu has upgraded its 12mm jumbo fruit blend series, offering consumers a new experience of "real chewable fruit granules — extra-large and ultra-satisfying". A collaboration with the movie *Nezha 2* (《哪吒2》) helped attract new customers and drive sales to new heights.

The *Champion* consolidated its position as a probiotic functional yogurt, and continued to amplify its exclusive competitive edge of its "Jianzihao" products. The Jianzihao product series achieved exponential growth, with both volume and profit exceeding expectations. Its new *Morning 8 Dun Dun* (早8噸噸) became a breakout hit in Sam's Club channels after launch. It collaborated with B.DUCK on an IP co-branding marketing campaign, revamping packaging to enhance brand visibility and terminal conversion rates, thereby driving growth.

The premium brand *YO!FINE DIARY*, which continued to build powerful momentum, further strengthened its "Yogurt so good you'll savor every last spoonful" (好吃到舔勺的酪酸奶) brand positioning. The King Sultan Durian Yogurt (蘇丹王榴蓮酪) made with Sultan King durian, leveraged trendy flavours to boost brand share, while the innovative sucrose-free thick cheese chilled yogurt family buckets expanded into household consumption scenarios.

*Yoyi C* further strengthened its "probiotics suitable for Chinese people" brand proposition and ranked first in the industry for four consecutive years. In 2025, it ventured into the lemon tea beverage with the launch of China's first *Yoyi C* probiotic lemon tea. The new product featured a differentiated fruit flavour and was promoted through targeted media exposure and a "search for probiotics" themed marketing campaign, which helped to build closer ties with consumers and firmly establish the concept that "*Yoyi C* is the probiotics suitable for Chinese people" in the minds of consumers. ESG social responsibility practices continued to advance. *Yoyi C* sucrose-free switched to environmentally friendly bottles across all channels and launched a responsible marketing campaign called "Together with *Yoyi C*, Bring Love to the Mountains", further expanding market share and brand influence.

Amid opportunities for channel transformation, the chilled product business unit retained its leadership advantage in offline channel distribution while achieving RTM transformation. It actively promoted trend-driven channel model transformations such as membership stores, instant retail, snack discount outlets, and B2B segments, achieving high business growth. It optimised its chilled product channel structure, with customised channel products yielding significant results and achieving market share leadership across multiple retail systems.

***Fresh Milk Business***

In the first half of 2025, the fresh milk business achieved double-digit growth, significantly outperforming the industry and gaining notable market share expansion.

Premium brand *Shiny Meadow* maintained rapid growth, continuing to lead the high-end fresh milk market. *Shiny Meadow* focused on product innovation and upgrades, with sustained sales growth in its 4.0 and A2 series. Its lactose-free dual-protein milk and HMO children's care nutrition milk expanded consumer reach, giving breakout growth beyond traditional segments. *Xiaoxianyu*, a sub-brand that further expands on the "light fresh milk" category for young consumers, penetrated high-growth segments such as full-fat PET and flavoured milk. Partnerships like the "Ta Foundation" charity initiative have only served to strengthen its connection with young consumers.

The fresh milk business unit continues to focus on building omnichannel capabilities to drive rapid growth. During the reporting period, Mengniu's fresh milk business achieved the highest market share in offline channels such as hypermarkets and membership stores. It also maintained a leading position in online channels such as O2O and e-commerce platforms. The fresh milk business unit has been focusing on enhancing channel sales and distribution. In the first half of the year, sales in modern channels, convenience store channels, and small supermarket channels continued to improve. Over 400 new convenience store outlets were added, driving rapid growth in sales through the convenience store channel. Meanwhile, the fresh milk business unit actively embraced high-growth potential channels both online and offline. It maintained the top market share in the membership store channel, efficiently launched and iterated new products, and successfully created multiple new channel-leading products. The unit fully leveraged live-streaming platforms, resulting in significant growth in interest-based e-commerce sales, and continued to strengthen collaborations with snack and discount channels while expanding partnerships with leading coffee and tea beverage brands, driving sales breakthroughs.

In terms of supply chain management, the fresh milk division has been advancing digital intelligence transformation, leveraging technological empowerment and process reengineering to upgrade operational models, enable intelligent decision-making, reshape industry competitive patterns, and elevate value creation capabilities. By deepening the construction of a "dual excellence in quality and efficiency" high-efficiency fulfilment system, the unit has established an end-to-end smart logistics network covering the entire supply chain from production to last-mile delivery, comprehensively enhancing the core competitiveness of the brand.

***Milk Formula Business***

The revenue was RMB1,675.6 million (2024: RMB1,635.3 million), accounting for 4.0% of Mengniu's total revenue (2024: 3.7%).

In the first half of 2025, the infant formula industry gradually stabilised. With growing demand for precise age-specific nutrition for infants and children, as well as products tailored to children's nutritional needs, product functionality and formulations have become increasingly segmented and science-based. Meanwhile, domestic infant formula brands continued to strengthen their competitiveness, with local brands capturing a larger market share. In line with these industry trends, Mengniu's infant formula business adhered to key strategic initiatives such as brand leadership, channel transformation, and R&D-driven innovation. These efforts continuously supported operational results and helped establish competitive advantages. During the reporting period, Mengniu's infant formula business achieved year-on-year double-digit growth.

Mengniu's domestic infant formula business continued to focus on the *Reeborne* brand while continuing to build its scientific research capabilities in patented affinity formula. Its globally pioneering MLCT technology with the empirical effects was published in the international academic journal, and launched the world's first infant formula featuring Sn-2 DHA. It also earned the title of "Global Pioneer in Maternal MLCT+ Novel OPO Infant Formula Series" and the 2025 World Dairy Innovation Award for "Best Infant Dairy Product Gold Award", further validating the product's strength through authoritative certifications. Additionally, by launching the *Nezha 2* (《哪吒2》) IP collaboration and the "Million Babies Worry-Free Nurturing Initiative", the Company further enhanced its brand power.

Mengniu's children's milk powder brand, *1.88m*, continued to focus on establishing brand awareness of "bone growth for children aged 3 to 15". During the reporting period, the product formula underwent a major upgrade with the addition of Mengniu's self-developed 99% high-purity HMO to continuously strengthen the product's immune support and absorption capabilities. Leveraging sports IP partnerships, the brand solidified its brand awareness in sports nutrition and expanded omni-channel sales online and offline, maintaining its market share at the forefront of the children's growth sector.

*Bellamy's Organic* continued to consolidate its brand positioning as the "Australia's No. 1 Organic Infant Formula" and firmly adhered to its core strategy of "dual-drive growth". *Bellamy's* premium product line "Bellamy's Platinum Organic A2" achieved strong growth against market trends, doubling year-on-year growth in the first half of the year, with growth rates far exceeding those of cross-border industries and core competitors. At the same time, significant progress has been made in expanding the Southeast Asian market, with sustained high-speed growth thanks to outstanding performance in the Vietnamese market. During the year, *Bellamy's Organic* marketing and communication efforts focused on the Xiaohongshu (小紅書) and Douyin (抖音) platforms. Based on the business strategy of "integrated channel and media", it continuously expanded its audience assets, optimised and improved the conversion efficiency, and joined hands with world-class IPs such as Disney films, which are beloved by the parent-child group, to enhance the brand's high-end image. In terms of the product, *Bellamy's Organic* continued to implement a systematic "organic functionality" product strategy to cater to high-end market needs. Its flagship product, Bellamy's Platinum Organic A2, emphasizes "organic milk source + A2 protein" and targets the needs of sensitive babies. Additionally, the brand refreshed and upgraded its evergreen Bellamy's Organic Classic Blue Can (貝拉米有機經典藍罐), which now highlights "organic milk source + 8 natural HMOs," aiming to comprehensively strengthen immune tolerance for babies. In the future, *Bellamy's Organic* will launch more high-end organic products and continue to deepen its organic functional product layout.

Mengniu's adult-tailored formula milk business focused on the *Yourui* (悠瑞) brand, continuously addressing the nutritional needs of the ageing population. *Yourui* focuses on high-functionality, high-value product development tailored to the precise health demands of middle-aged and elderly consumers. During the reporting period, Mengniu's self-developed probiotic strain LC-19 was published in the top-tier international scientific journal Cell, elevating product value and competitive barriers through cutting-edge scientific innovation. Simultaneously, *Yourui* deepened brand awareness, focused on refined channel operations, and actively captured high-growth sales opportunities. Its flagship product, *Yourui* bone premium milk formula, became the industry's first comprehensive vitality formula integrating "bone, joint and muscle" support, emerging as a bestseller in the elderly-focused mobility milk powder segment and achieving No.1 market share on Douyin.

***Ice Cream Business***

Revenue from the ice cream business amounted to RMB3,878.5 million (2024: RMB3,371.4 million), accounting for 9.3% of Mengniu's total revenue (2024: 7.5%).

In the first half of 2025, the ice cream division closely aligned with consumer demand trends and channel transformation strategies, concentrating on its dual-core brand approach. By strengthening the competitive edge of classic flagship products, launching multiple blockbuster new offerings, deepening integrated marketing initiatives, and expanding omnichannel distribution and market penetration, the division further optimised its product portfolio and enhanced brand competitiveness, driving double-digit growth in its ice cream business.

Mengniu intensified its focus on upgrading the milk ice cream segment, launching a Fresh Milk Ice Cream Series, premium raw milk ice cream, and probiotic yogurt ice cream to meet consumers' demands for healthy, natural ingredients and delicious flavours. *Suibian* continued to deepen its presence in the chocolate ice-cream segment through innovation and upgrades tailored to young consumers. The latest *Suibian* product line strengthened process innovation, precisely capturing snack consumption trends. Driven by consumer demand, the highly anticipated relaunched "Suibian Random Spin" became the No.1 bestselling new ice cream product, while the "Suibian Mini Milk Chocolate Ice Cream" capitalised on the miniaturised snacking trend. *Mood for Green* reinforced its brand ethos of green, natural, and healthy living through cross-industry collaborations such as with Nanfang Black Sesame (南方黑芝麻) and the hit drama *Empresses in the Palace* (《甄嬛傳》). Products like *Mood for Green* Black Sesame Ice Cream and Red Bean Double-Skin Milk were well-received, allowing the brand to expand into the dessert and wellness categories while strengthening its market position. Meanwhile, *Ice+* continues to appeal to younger consumers by expanding its water-based ice collection with creative flavours such as chocolate sorbet and calamansi lemon. In 2025, Mengniu's high-end brand *Deluxe* made its debut in Hong Kong, solidifying its premium positioning through groundbreaking innovations: the launch of China's first Organic Ice Cream — Organic

Desert Fresh Milk Ice Cream (沙漠有機鮮牛乳冰淇淋), and the world's first fully fermented yogurt ice cream — Little Waist Aronia Berry Probiotic Yogurt Ice Cream (小蠻腰不老莓活菌酸奶冰淇淋).

In channel development, the ice cream division has further advanced its full-chain strategic layout. While maintaining its strong foundation in traditional retail channels, the division has prioritised transforming and optimising new retail channels for greater efficiency. The ready-to-eat retail channel has achieved rapid growth, attracting a substantially larger customer base and achieving historic results in GMV and order volumes. At the same time, the division has accelerated expansion into modern retail formats such as snack and confectionery stores and membership-based retail systems, resulting in the continuous unlocking of new growth opportunities.

The overseas ice cream business continued to reach new heights. *Aice* focused on innovative product development, ramped up its social media promotion and expanded modern channels, strengthening its product, brand, and channel presence. *Aice* secured the top spot in Indonesia while further expanding its leading advantage, ranked second in the ready-to-eat ice cream market of the Philippines, and achieved a breakthrough to become the second-largest player in market share in Vietnam. Meanwhile, the Company continued to actively explore overseas market opportunities, expanding into emerging overseas markets.

***Cheese Business***

Revenue from the cheese business amounted to RMB2,373.9 million (2024: RMB2,114.3 million), accounting for 5.7% of Mengniu's total revenue (2024: 4.7%).

China's cheese industry is emerging as a key growth driver for the dairy sector, supported by rising consumer demand for premium dairy products, industrial transformation, and favourable government policies. Innovation in cheese applications has flourished across both B2B and consumer markets in recent years. Products have gained widespread acceptance through their nutritional benefits and emotional appeal to consumers. Cheese usage continues to expand across multiple sectors, including Chinese and Western restaurants, cafés, tea shops, and bakeries. At the same time, in the B-end market, growing demand for cheese has created new opportunities to utilise by-products from various stages of dairy processing, expanding the range of viable applications. This growth has led to increasing market concentration among industry leaders.

In the first half of 2025, Milkground focused on four key strategies: product innovation, brand leadership, channel cultivation, and management efficiency improvement. Through concentrated efforts on product innovation and development, continuous brand enhancement, steady expansion into high-potential channels, and deeper penetration into lower-tier markets, the Company has driven sustained revenue growth and improved profitability. Implementation of cost reduction initiatives and successful digital and intelligent system upgrades have further strengthened its industry-leading position. According to Worldpanel consumer index, in the first half of 2025, in terms of sales of packaged cheese brands in China, cheese under Milkground had a market share of over 38%, and cheese sticks continued to grow in market share, maintaining their position as the industry leader. According to Euromonitor statistics, in the first half of 2025, Milkground continued to rank first in brand market share in China's cheese retail market.

During the reporting period, Milkground, adhering to a consumer-oriented approach, pursued continuous product innovation and refined its cheese product matrix, successfully achieving a transformative leap from children's cheese to cheese for all age groups. In terms of ready-to-eat nutritious cheese, the children's nutritional cheese series formed a matrix covering a variety of different product forms, comprehensively covering children's eating scenarios. The adult leisure cheese series launched new products such as Mini Cheese Triangles (奶酪小三角) and Cloud Cheese Mousse (雲朵芝士), as well as a variety of functional cheese products. The range of room temperature cheese products has been continuously expanded, with Cheese Balls (奶酪小丸子) and some cheese snacks entering the snack wholesale channel. Customised products launched for membership supermarkets are tailored to the consumption scenarios of high-potential channels. In the family dining cheese category, mozzarella and cheese slices maintained steady sales growth, and butter products performed exceptionally well. At the same time, Milkground launched a spreadable cream cheese to meet consumer demand for breakfast and bread, bagels and other accompaniments, further enriching the cheese category for family meals. In terms of the catering cheese sector, sales of butter and whipping cream under Milkground grew significantly, and original cheese also gained recognition from major customers. The combination of the two major brands, Milkground's professional cheese range and Arla ASCX's professional dairy products, has successfully opened up a highly promising B-end market.

In terms of channel development, Milkground leveraged the advantages of its dual brands across C-end retail channels, optimised its national distributor network, and continued to refine modern retail channels whilst improving operational efficiency. The Company vigorously developed high-potential channels including bakeries, bulk snack retailers, maternal and infant stores, and membership warehouse clubs, with several customised products delivering exceptional performance. Concurrently, Milkground accelerated the development of interest-based e-commerce platforms and instant retail formats. It also actively expanded its B-end catering channels, continuing to drive Milkground's transformation from a product seller to a professional dairy service provider.

**Innovative Business**

As an important part of Mengniu's "One Core, Two Wings" strategy, in the first half of 2025, the Group continued to increase its investment in technology R&D for its "nutrition and health platform," actively laid out plans for deep processing of dairy products, and accelerated the upgrading of the dairy industry chain structure. At the same time, it continued to lead the way in exploring cutting-edge nutrition science, accelerated the commercialisation of professional nutrition and functional nutrition, and injected technological momentum into the high-quality development of the dairy industry.

Mengniu Dairy Professionals continued to drive product innovation and domestic substitution while conducting in-depth research into key technologies. It independently developed and successfully launched China's first domestically produced whipping cream, "Mengniu Multi-Effect Whipping Cream." The product also won the highest star rating at the 2025 Superior Taste Award, demonstrating its technological leadership. Through high-quality products and services, Mengniu Dairy Professionals achieved remarkable brand recognition growth, expanded industry influence, and deepened its customer base, earning trust from many leading domestic bubble tea, bakery, and restaurant chain brands, resulting in significantly improved market penetration. Meanwhile, Mengniu Dairy Professionals has optimised and upgraded its supply chain, establishing a modern, flexible, and professional dairy production base capable of efficiently meeting customised production needs for basic pure milk, high-value-added pure milk, professional dairy bases, whipped cream, and diverse plant-based products, achieving a leap in both production capacity and flexibility.

Positioned as "China's professional leader in sports nutrition" (中國專業運動營養領導者), *M-ACTION*, a brand in sports nutrition, has developed a professional product lineup consisting of liquid protein range, sports function range and daily vitality range, which comprehensively meets the nutritional needs of sports enthusiasts before, during and after training and competitions, as well as the nutritional needs of daily vitality. Through professional brand power and ultimate product power, *M-ACTION* created a significant influence among sports people of marathon, trail running and triathlon. In the first half of 2025, the Company launched new *M-ACTION* products such as sour cherry juice and sugar-free electrolyte powder, further addressing the diverse health needs of consumers seeking daily vitality nutrition. In terms of channel development, *M-ACTION* extensively cultivated DTC channels like Tmall, JD.com, Douyin and private domain, while actively expanding into diverse channels such as Sam's Club. At the "World Dairy Innovation Awards 2025," *M-ACTION* was recognised for its high-quality sports nutrition solutions, which helped millions of Chinese athletes and fitness enthusiasts improve their performance and overall health. It also won the "Best New Brand/Start-Up" award, with its brand strength and product quality receiving international industry recognition.

In the first half of 2025, Mengniu's subsidiary, Synaura Biotechnology (Shanghai) Co., Ltd. ("Synaura Biotechnology"), obtained approval from the National Health Commission of the People's Republic of China for its independently developed LNnT, becoming the only Chinese company to receive dual certification for HMO 2'-Fucosyllactose (2'-FL) and LNnT. This achievement continues to drive the transformation of China's precision nutrition industry from reliance on imported raw materials to technological export. Currently, Synaura Biotechnology has established over 10 product lines, with its proprietary HMO successfully integrated into Mengniu *Reeborne's* Enzhi 4-Stage (恩至4段) Children's Formula Milk Powder, Future Star Specialty Care Children's Formula Milk (未來星專護兒童配方奶), and *Shiny Meadow* HMO Children Care Nutrition Milk and other products, further expanding HMO's application scenarios in China. This advancement marks a transformation from offering basic nutrition to promoting professional nutrition products.

**Quality Management**

In 2025, guided by its "One Core, Two Wings" strategy, Mengniu comprehensively launched the "Quality Digital Transformation Plan of the Group" (《集團質量數字化轉型規劃》) strategy and systematically advanced its quality digitalisation initiatives. By leveraging emerging technologies including the Internet of Things, artificial intelligence and big data analytics, Mengniu comprehensively upgraded its 4Q quality management system, ushering in the Mengniu Quality System 4.0 era. The Company established the MNQ+ quality system, which centres on consumer value perception.

Regarding system certifications, the Group maintained its seven major certifications, including ISO9001, HACCP, GMP, FSSC22000, BRC, IFS, and SQF, with 100% passing rate for factories passing ISO9001 and HACCP certifications. To further enhance its EHS management levels, the Group is pursuing certification across three major management systems including ISO 45001/14001/50001.

In 2025, Mengniu further refined its quality culture framework and released the "Mengniu Dairy 2025 Quality Culture Work Plan" to systematically promote the implementation of quality culture work throughout the year. In the first half of the year, Mengniu continued to build on its established 315 "World-class Quality for Consumers" event (世界品質，讓消費者看見)" platform by hosting the "World-class Quality Through Innovation" (世界品質創新有我) innovation event. Through offline open-day activities, the Company invited over 2,000 consumers to visit Mengniu factories and experience world-class quality firsthand.

**Milk Source Management**

In 2025, responding to complex shifts in domestic and international dairy markets, Mengniu actively supported national dairy industry revitalisation initiatives by deepening its milk source base development. The Company enhanced the sustainable development of upstream pastures through comprehensive measures including lean pasture management, procurement cost reduction, logistics optimisation, digital efficiency improvements, financial assistance and innovative operations. These initiatives strengthened pasture resilience and continuously improved overall competitiveness.

In terms of technological innovation, Mengniu pooled leading domestic and international resources to advance dairy farming R&D and applications. By unlocking cost-saving potential in cattle farming, implementing service initiatives and building resilient farms, the Company delivered comprehensive technical services spanning all aspects of pasture management, helping partners reduce per-kilogram milk production costs. Mengniu also enhanced manure resource utilisation to improve efficiency and effectively support operational improvements at partner pastures. Through financial assistance programmes, Mengniu collaborated with third-party financial institutions to provide diversified funding support, effectively alleviating capital pressures on the pastures.

Mengniu actively practises a green development philosophy and continues to integrate sustainable development into its milk source management. In the first half of 2025, Mengniu advanced dual-carbon initiatives across partner farms by providing guidance in five key areas: fossil fuel substitution, clean energy adoption, intelligent water and electricity management, smart biological fermentation cogeneration, and ecological carbon sequestration in agriculture, forestry and pastures. These efforts not only reduced costs and improved efficiency but also strengthened environmental awareness throughout the dairy farming network.

**Corporate Digital Strategy**

Mengniu continues to advance its digital and intelligent transformation with AI at the core. The Company's proprietary AI middleware creates an intelligent agent matrix that comprehensively enhances end-to-end business processes, driving significant improvements in operational efficiency, organisational effectiveness and product quality, while providing strong momentum for high-quality development.

The intelligent agent matrix built by the proprietary AI deeply integrates with business processes, continuously refining operational models, optimising costs and enhancing execution efficiency. Process-assisted intelligent agents provide employees with intelligent approval decision support and process guidance; business-action intelligent agents efficiently execute standardised operational tasks; and content-creation intelligent agents automatically generate multi-form content assets such as graphics and texts. At the consumer service level, the AI nutritionist family delivers personalised nutrition and health guidance to end-users at scale.

Based on the data middleware and the Group's unified indicator system, data connects "performance-process-business". Precise control and subsidies for online stores are implemented based on data, accelerating the operation of the "strategy-application-data-strategy" gain loop. In supply chain operations, the proprietary MES and energy platform enhance efficiency across low-temperature products, fresh milk and milk powder, setting industry benchmarks. For room-temperature products, the One Inventory model optimises warehouse network layout. For low-temperature products and fresh milk, enhanced resource sharing builds on full cold chain visibility, improving key metrics including inventory turnover and freshness. In distribution channels, cutting-edge technologies power the "One product, One QR code" ensuring full product traceability, consistent quality and real-time consumer engagement. The "mutual-win" platform advances automation and intelligent capabilities, enabling online management of millions of terminals, precise expense control, targeted resource allocation and establishment of risk early warning and interception systems — collectively enhancing omni-channel efficiency and risk management. In the marketing domain, the Company has developed efficient ROI monitoring capabilities and market insight sharing mechanisms, while strengthening brand content asset management to provide solid support for intelligent decision-making and value creation globally. In management, digital intelligence enables comprehensive five-in-one risk monitoring, advances business-finance integration and enhances compliance management, creating a solid operational foundation.

## FINANCIAL REVIEW

### Revenue

In the first half of 2025, due to persistent oversupply of raw milk and lower-than expected consumer demand recovery, the supply and demand imbalance in the dairy industry continued. The revenue of the Group amounted to RMB41,567.2 million for the six months ended 30 June 2025 (2024: RMB44,670.5 million), representing a year-on-year decrease of 6.9%.

## Gross Profit

The Group's gross profit for the period decreased to RMB17,352.3 million (2024: RMB17,984.7 million) due to the decrease in revenue during the period. Gross profit margin increased by 1.4 percentage points to 41.7% as compared with the same period last year (2024: 40.3%) due to the decrease in raw milk prices.

## Operating Expenses and Operating Profit

During the period, due to the decrease in sales revenue during the period and enhanced efficiency in expenses investment in the first half of the year, selling and distribution expenses decreased by 8.4% to RMB11,614.3 million (2024: RMB12,680.5 million), representing a decrease to 27.9% (2024: 28.4%) of the Group's revenue. Product and brand marketing expenses during the period decreased by 0.4% to RMB4,482.2 million (2024: RMB4,499.4 million), accounting for 10.8% of the Group's revenue (2024: 10.1%).

During the period, the administrative expenses increased by 0.3% to RMB1,947.4 million (2024: RMB1,941.0 million), accounting for 4.7% (2024: 4.3%) of the Group's revenue. Educational surcharges, city construction tax and other taxes included in other expenses amounted to RMB252.4 million (2024: RMB243.9 million), representing a year-on-year increase of 3.5%.

Total business operating expenses, including selling and distribution expenses, administrative expenses and educational surcharges, city construction tax and other taxes, decreased by 7.1% to RMB13,814.1 million (2024: RMB14,865.4 million), accounting for 33.2% of the Group's revenue (2024: 33.3%). Attributable to the increase in gross profit margin, operating profit (gross profit less business operating expenses) amounted to RMB3,538.2 million (2024: RMB3,119.3 million), representing a year-on-year increase of 13.4%; operating profit margin was 8.5% (2024: 7.0%), representing a year-on-year increase of 1.5 percentage points.

## EBITDA and Net Profit

During the period, an associate of the Company, China Modern Dairy Holdings Ltd., proactively culled low-producing and inefficient cows to improve the herd structure and stabilise the core herd. As a result of the increase in the number of culled cows and the decrease in selling price in the raw milk market, for the six months ended 30 June 2025, the Company recorded a loss arising from changes in the fair value of additional dairy cows less costs to sell of dairy cows of approximately RMB671.7 million, thereby resulting in a net loss attributable to owners of approximately RMB913.5 million. As a result, the Company accordingly recorded share of losses of associates of approximately RMB544.5 million (2024: RMB133.0 million).

During the period, due to the increase in the Group's share of losses of associates mentioned above, the Group's earnings before interest, taxes, depreciation, and amortization ("EBITDA") decreased by 4.1% to RMB4,596.7 million (2024: RMB4,790.8 million). However, benefiting from the increase of gross profit margin and the active promotion of quality improvement and efficiency enhancement by the Group during the period, EBITDA margin was 11.1% (2024: 10.7%), representing a year-on-year increase of 0.4 percentage points.

Profit attributable to owners of the Company decreased by 16.4% year-on-year to RMB2,045.5 million (2024: RMB2,445.8 million), mainly due to the factors mentioned above and the gain on disposal of subsidiaries of RMB269.4 million recorded in the same period last year. Basic earnings per share were RMB0.523 (2024: RMB0.623), representing a year-on-year decrease of 16.1%.

**Income Tax Expenses**

For the six months ended 30 June 2025, income tax expenses of the Group totaled RMB684.5 million (2024: RMB570.3 million), representing an increase of 20.0% year-on-year. The effective income tax rate was 24.1% (2024: 18.4%), representing an increase of 5.7 percentage points year-on-year. The increase of the effective tax rate was mainly due to the increase in the share of losses of associates not subject to taxation during the period and gain on disposal of subsidiaries not subject to taxation in the same period last year.

**Capital Expenditure**

For the six months ended 30 June 2025, the capital expenditure of the Group amounted to RMB1,010.4 million (2024: RMB1,692.9 million), representing a decrease of 40.3% year-on-year. Capital expenditure was spent on building new production facilities and modifying existing ones as well as related investments.

**Working Capital, Financial Resources, and Capital Structure**

For the six months ended 30 June 2025, the Group recorded net cash inflow from operating activities of RMB2,806.1 million (2024: RMB1,919.9 million), representing an increase of 46.2% as compared with the same period last year. The increase in net cash inflow from operating activities was mainly due to a further decrease in raw milk prices, which led to a decrease in cash outflows for purchases and improved working capital management.

As of 30 June 2025, outstanding interest-bearing bank and other borrowings of the Group increased to RMB29,702.9 million (31 December 2024: RMB34,637.2 million), of which interest-bearing bank and other borrowings repayable within one year amounted to RMB17,996.8 million (31 December 2024: RMB16,661.6 million). More than 60% of the interest-bearing bank and other borrowings were bearing interest at fixed rates. The decrease in interest-bearing bank and other borrowings was mainly due to the repayment of foreign currency debts due.

Net borrowings (total amount of interest-bearing bank and other borrowings net of cash and cash at banks) of the Group as of 30 June 2025 were RMB14,053.8 million (31 December 2024: RMB17,298.0 million).

The Group's total equity as of 30 June 2025 amounted to RMB48,024.4 million (31 December 2024: RMB48,025.5 million). Its debt-to-equity ratio (total amount of interest-bearing bank and other borrowings divided by total equity) was 61.8% (31 December 2024: 72.1%).

Finance costs of the Group were RMB608.1 million (2024: RMB884.3 million), or approximately 1.5% when expressed as a percentage of revenue (2024: 2.0%), representing a decrease of 0.5 percentage points year-on-year. The decrease in finance costs was mainly due to a reduction in borrowing.

**PRODUCTION**

Mengniu deploys its production capacity according to the potential of relevant markets and its product strategy. As of 30 June 2025, Mengniu had 45 production bases in China, 2 production bases in Indonesia, 2 production bases in Australia, 1 production base in Philippines, and 1 production base in New Zealand, respectively. It had a total annual production capacity of 13.95 million tons (31 December 2024: 13.99 million tons).

**SUSTAINABLE DEVELOPMENT**

During the reporting period, the Group made consistent progress in advancing its "GREEN" sustainable development strategy and dual-carbon objectives, demonstrating industry leadership in driving the green transformation of the dairy industry.

To further improve its sustainable information disclosure, Mengniu has established a "1+N" sustainability report disclosure system and successively released the "Annual Sustainability Report", "Green Packaging Value Report", "Nature-Related Information Disclosure Report" and "Climate-Related Information Disclosure". These publications provide a comprehensive view of its sustainability efforts. In the 2024 Sustainability Report, Mengniu pioneered the implementation of quantitative financial analysis of climate change and developed a preliminary quantitative model for assessing the financial impact of climate change.

Mengniu has deeply embedded green practices across its supply chain. In terms of carbon emission management, the Group has completed carbon inventory assessments for its partner dairy farms and has piloted carbon audits and calculations for farms under social management.

In water resources management, the Group's Sustainable Water Management Working Group has set ambitious sustainable water management goals for 2030 and further accelerated the AWS Sustainable Water Management Certification process. As of 30 June 2025, seven Mengniu factories are pursuing AWS water management certification, with three factories already obtaining AWS Gold-level Certification.

The Group has continued to drive green packaging transformation with the goal of completely eliminating the use of PVC and EPS in product packaging by 2025. In 2025, the Company launched two revolutionary and innovative packaging technologies: fully marine-degradable packaging that addresses recycling challenges for small-format products, enabling complete natural decomposition; and milk cap non-stick film packaging that reduces food waste while enhancing consumer experience.

The Group actively advanced its circular economy strategy by forming a strategic partnership with the recycling platform Aihuishou (AtRenew) to launch the "New Life Dairy Packaging Recycling Program (乳品包裝減塑新生計劃)", minimising the environmental footprint of packaging waste and enhancing the synergy between green consumption and circular economy practices, with a total of over 500,000 dairy packages recycled.

While promoting sustainable development across its value chain, the Group also took active steps to protect forests and promote biodiversity. Mengniu officially became a member of the Roundtable on Sustainable Palm Oil (RSPO) and launched the RSPO-certified palm oil procurement campaign in 2024. In February 2025, Mengniu participated in the signing ceremony and release of the China (Inner Mongolia)-Brazil Sustainable Soybean Strategy and the *Initiative on Building a Sustainable Supply Chain for the Global Dairy Industry* with its subsidiaries China Modern Dairy Holdings Ltd., and China Shengmu Organic Milk Limited and the Agriculture and Animal Husbandry Department of the Inner Mongolia Autonomous Region, the Department of Commerce, Santos City, COFCO International and other units, and will carry out the Brazilian soybean trade with zero deforestation and zero vegetation damage from 2025 to 2030. This commitment aims to protect rainforests and grassland vegetation in Brazil, reduce agricultural carbon emissions, and jointly address the challenge of climate change.

The Group actively carries out public welfare and charity undertakings through the Inner Mongolia Mengniu Public Charity Foundation. The Foundation focuses on four major areas: disaster relief, nutrition enhancement, rural revitalization, and ecological protection. It actively engages in philanthropic and charity activities through research, systematic funding, and public advocacy strategies.

With its outstanding performance in the ESG field, in May 2025, Mengniu stood out from nearly 300 companies and became the only Chinese dairy company on the Fortune China ESG Influence List. Additionally, Mengniu's project "Lean Management of the Whole Chain of Water Energy Recycling and Recycling in Dairy Manufacturing Based on Quality 4.0 Digital Intelligence Innovation" earned the 2024 International Academy of Quality Sciences Quality for Sustainable Development Award (IAQ-QSA). This achievement makes Mengniu the first food company in the world to receive this honour and the only award-winning enterprise in China that year, further affirming the Group's ongoing commitment to excellence and sustainable development while highlighting improvements to quality in China's food industry.

## HUMAN RESOURCES

As of 30 June 2025, the Group had a total of over 38,800 employees in Mainland China, Hong Kong, Oceania and Southeast Asia.

In the first half of 2025, building on its "born to excel" heritage, Mengniu further fostered a simple and pragmatic cultural atmosphere to promote the efficiency of internal processes, improve work efficiency, enhance employees' sense of value, and drive corporate value growth through innovative improvements to efficiency. During the reporting period, the Company accelerated talent deployment aligned with its "One Core, Two Wings" strategy and enhanced its 6D employee management system (Define standards, Diagnose company assets, Deploy calibre, Develop talent, Deliver mobility, and Discipline behaviour). As China's first dairy enterprise with dual qualifications for independent vocational skill assessment and professional title evaluation, and the first national high-skilled talent training base for dairy enterprises, Mengniu has remained fully committed to embracing China's skilled talent development strategy and comprehensively promoting the implementation of vocational skill level certification work. The Company continues to expand career development pathways, create diverse growth platforms, and cultivate professional and skilled talent to support the high-quality development of China's dairy industry.

In terms of performance-based remuneration, Mengniu continued to improve its comprehensive remuneration system to drive high-quality development with competitive remuneration, differentiated performance, diversified incentives, flexible benefits, and happy experience. The Company will continue to enhance its branding initiatives and acquire high-caliber talent to create a sustainable dairy talent ecosystem.

## OUTLOOK

Supported by national policies to boost domestic demand, the macroeconomic environment and consumer confidence are expected to steadily recover. With continued stabilization in raw milk prices and gradual restoration of the industrial chain resilience, supply and demand imbalances in the dairy industry will further improve, and milk sourcing advantages of leading dairy enterprises will become more prominent throughout the raw milk cycle. Meanwhile, growing health consciousness is driving consumer demand for more specialised nutritional and health benefits from dairy products. This trend is propelling the industry toward higher quality, greater diversification, and increased value-added offerings, creating substantial growth opportunities across the sector.

Looking forward to the second half of 2025, as an industry leader, Mengniu will continue to focus on the three key themes of "Drink More", "Drink Good", and "Drink Right", promote the implementation of the "One Core, Two Wings" strategy, and consolidate the foundation of the six core businesses of room temperature, low temperature, ice products, fresh milk, milk powder, and cheese. Mengniu will adopt a comprehensive, multidimensional approach encompassing products, brands, operations, and channels to drive category extension and innovation, positioning the Company to act with precision and capture opportunities arising from structural demand upgrades and channel transformations. At the same time, Mengniu will continue to accelerate technological breakthroughs and commercial development in its nutrition and health platform, pioneer new productivity standards for the dairy industry, and expand its international presence to nourish consumers worldwide.

Mengniu will comprehensively promote high-quality development for both the Company and the industry by enhancing lean operations, improving quality and efficiency, and strengthening operational efficiency and core profitability while delivering value back to shareholders. The Company will also continue the development of the "FIRST Mengniu" blueprint that is beloved by consumers into one that is increasingly international, socially responsible and digitally transformed, with stronger cultural heritage, leading China's dairy industry into a new stage of "high-tech, high-efficiency and high-quality" development.

## CORPORATE GOVERNANCE CODE

The Company has adopted the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Listing Rules as its own code of corporate governance practices.

The Board has reviewed the Company's corporate governance practices and is satisfied that the Company has been in compliance with all applicable code provisions of the CG Code during the six months ended 30 June 2025.

## SECURITIES TRANSACTIONS OF DIRECTORS

The Company has adopted, in terms no less exacting than, the standards required by the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules as the Company's code of conduct and rules governing dealings by all Directors in the securities of the Company. The Directors have confirmed, following the specific enquiry by the Company, that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2025.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2025, the Company repurchased on the open market a total of 11,302,000 shares of the Company at a total consideration of HK$197.0 million, of which 5,930,000 shares were cancelled during the six months ended 30 June 2025 and 5,372,000 shares have not yet been cancelled as at 30 June 2025, and were subsequently cancelled.

Particulars of the shares repurchased on the open market during the reporting period are as follows:

| Month/year | Total number of shares repurchased | Highest price paid per share *(HK$)* | Lowest price paid per share *(HK$)* | Aggregate amount paid *(HK$'000)* |
|---|---|---|---|---|
| January 2025 | 1,840,000 | 17.02 | 14.86 | 29,300 |
| April 2025 | 2,070,000 | 19.50 | 17.64 | 38,716 |
| May 2025 | 3,064,000 | 19.90 | 17.50 | 56,102 |
| June 2025 | 4,328,000 | 18.22 | 15.98 | 72,892 |
| | 11,302,000 | | | 197,010 |

Subsequent to the reporting period and up to the date of this announcement, the Company repurchased on the open market a total of 2,900,000 shares of the Company at a total consideration of HK$48,617,000. Such repurchases were subsequently cancelled.

Particulars of the shares repurchased on the open market subsequent to the reporting period and up to the date of this announcement are as follows:

| Month/year | Total number of shares repurchased | Highest price paid per share *(HK$)* | Lowest price paid per share *(HK$)* | Aggregate amount paid *(HK$'000)* |
|---|---|---|---|---|
| July 2025 | 2,900,000 | 17.56 | 15.84 | 48,617 |

The number of issued shares of the Company as at the date of this announcement is 3,903,768,513 shares.

The Directors believe that the above repurchases are in the best interests of the Company and its shareholders and that such repurchases would lead to an enhancement of the earnings per share of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2025.

The Company is always committed to create long-term value to the shareholders of the Company (the "Shareholders") and generate stable and sustainable returns for the Shareholders. As an important measure to improve the value to the Shareholders, the Company will continue to implement a share repurchase plan. The Board has resolved that, subject to market conditions, the Company may repurchase shares of the Company (the "Shares") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") from time to time during the following 12 months, pursuant to any general mandate to repurchase Shares as may be granted by the Shareholders to the Board by the resolution of the Shareholders passed at the relevant annual general meeting of the Company ("AGM"). At the AGM held on 12 June 2025, the Shareholders have granted to the Board the authority to repurchase Shares on the Stock Exchange. The Company's plan for repurchase of the Shares in the following 12 months will be not lower than the scale of repurchase conducted in the previous 12 months, so as to continuously enhance the earnings per Share and value to the Shareholders, while demonstrating the Board's firm confidence in the Company's long-term development and Share price.

The Board believes that the current financial resources of the Company would enable it to continue implementing the share repurchase plan while maintaining a solid financial position. The Board considers that the share repurchase plan is in the interest of the Company and its Shareholders.

## AUDIT COMMITTEE

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Li Michael Hankin (chairman), Mr. Yih Dieter Lai Tak and Mr. Ge Jun.

The Audit Committee has reviewed with the Company's management and the external auditors, the accounting principles and practices adopted by the Company and discussed auditing, risk management, internal control, whistleblowing policy and system and financial reporting matters, including the review of the Group's unaudited interim financial information for the six months ended 30 June 2025.

## SCOPE OF WORK OF KPMG

The interim financial information for the six months ended 30 June 2025 is unaudited, but has been reviewed by KPMG, in accordance with Hong Kong Standard on Review Engagements 2410 "*Review of interim financial information performed by the independent auditor of the entity*", issued by the Hong Kong Institute of Certified Public Accountants, whose unmodified review report is included in the interim report to be sent to shareholders.

## PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Company at www.mengniuir.com and Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk. The interim report of the Company will be available at the aforesaid websites and despatched to the shareholders as per the Company's corporate communications arrangements in due course.

## BOARD OF DIRECTORS

As at the date of this announcement, the executive Directors are Mr. Gao Fei and Ms. Wang Yan; the non-executive Directors are Mr. Qing Lijun, Mr. Meng Fanjie, Mr. Wang Xi and Ms. Lillie Li Valeur; and the independent non-executive Directors are Mr. Yih Dieter Lai Tak, Mr. Li Michael Hankin and Mr. Ge Jun.

## APPRECIATION

The Board would like to take this opportunity to express gratitude to our shareholders and the public for their continued support, and to all staff for their hard work and commitment.

By order of the Board
**China Mengniu Dairy Company Limited**
**Gao Fei**
*Chief Executive Officer and Executive Director*

Hong Kong, 27 August 2025