澳优
Ausnutria

AUSNUTRIA DAIRY CORPORATION LTD
澳優乳業股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1717)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2025	2024	% of
	RMB'M	*RMB'M*	Change
Revenue	**3,886.8**	3,681.1	5.6
Gross profit	**1,627.7**	1,597.7	1.9
Gross profit margin *(%)*	**41.9**	43.4	(1.5) pps
EBITDA	**397.5**	306.4	29.7
Profit attributable to equity holders of the Company	**180.5**	145.4	24.1

For the six months ended 30 June 2025 (the "**2025 Interim Period**" or "**1H 2025**"), Ausnutria Dairy Corporation Ltd ("**Ausnutria**" or the "**Company**") and its subsidiaries (collectively, the "**Group**") recorded the followings:

- Revenue increased by RMB205.7 million or 5.6%.
- Gross profit increased by RMB30.0 million or 1.9%.
- EBITDA increased by RMB91.1 million or 29.7%.
- Profit attributable to equity holders of the Company increased by RMB35.1 million or 24.1%.

The board (the "**Board**") of directors (the "**Directors**") of the Company hereby announces the unaudited consolidated financial results of the Group for the 2025 Interim Period together with the comparative figures for the six months ended 30 June 2024 (the "**2024 Interim Period**"). The Group's interim results for the 2025 Interim Period are unaudited but have been reviewed by the audit committee of the Company (the "**Audit Committee**").

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

(All amount in RMB unless otherwise stated)

	Notes	**2025 Unaudited *RMB'000***	2024 Unaudited *RMB'000*
Revenue	*3, 4*	**3,886,787**	3,681,063
Cost of sales	*5*	**(2,259,102)**	(2,083,374)
Gross profit		**1,627,685**	1,597,689
Selling and distribution expenses	*5*	**(1,013,103)**	(1,099,080)
Administrative expenses	*5*	**(299,645)**	(260,445)
Research and development expenses	*5*	**(51,182)**	(52,767)
Net impairment losses on financial assets		**(5,498)**	(144)
Other income, other (losses)/gains – net	*6*	**(4,054)**	21,508
Operating profit		**254,203**	206,761
Finance costs – net		**(16,777)**	(31,105)
Share of profits/(losses) of investments accounted for using the equity method		**3,735**	(4,577)
Profit before income tax		**241,161**	171,079
Income tax expense	*7*	**(60,305)**	(21,811)
Profit for the period		**180,856**	149,268
Attributable to:			
The equity holders of the Company		**180,454**	145,392
Non-controlling interests		**402**	3,876
		180,856	149,268
Earnings per share attributable to the equity holders of the Company			
Basic earnings per share *(RMB cents)*	*9*	**10.14**	8.17
Diluted earnings per share *(RMB cents)*	*9*	**10.14**	8.17

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025
(All amount in RMB unless otherwise stated)

	2025	2024
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Profit for the period	**180,856**	149,268
Other comprehensive income/(loss):		
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	**372,483**	49,875
Item that will not be reclassified to profit or loss		
Exchange differences on translation of the Company's financials	**(43,251)**	(70,212)
Total other comprehensive income/(loss) for the period	**329,232**	(20,337)
Total comprehensive income for the period	**510,088**	128,931
Attributable to:		
The equity holders of the Company	**508,546**	127,715
Non-controlling interests	**1,542**	1,216
	510,088	128,931

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2025
(All amount in RMB unless otherwise stated)

	Notes	**As at 30 June 2025 Unaudited *RMB'000***	As at 31 December 2024 Audited *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**3,603,241**	3,265,689
Investment property		**142,873**	132,365
Right-of-use assets		**183,122**	184,349
Goodwill		**399,221**	368,058
Other intangible assets		**513,762**	501,089
Investments accounted for using the equity method		**140,930**	126,584
Financial assets at fair value through profit or loss		**28,268**	28,385
Prepayments, deposits and other assets		**37,155**	68,654
Long-term time deposits, with original maturity over one year		**912,182**	224,050
Deferred tax assets		**348,923**	364,982
Total non-current assets		**6,309,677**	5,264,205
Current assets			
Inventories		**1,926,895**	1,930,251
Trade and bills receivables	*10*	**854,176**	689,578
Prepayments, other receivables and other assets		**316,245**	263,377
Income tax recoverable		**67,892**	55,535
Time deposits		**65,774**	206,221
Restricted cash		**9,271**	9,302
Cash and cash equivalents		**945,078**	1,214,703
Current assets excluding assets classified as held for sale		**4,185,331**	4,368,967
Assets classified as held for sale		**–**	28,974
Total current assets		**4,185,331**	4,397,941
Total assets		**10,495,008**	9,662,146

	Notes	**As at 30 June 2025 Unaudited** ***RMB'000***	As at 31 December 2024 Audited *RMB'000*
LIABILITIES			
Non-current liabilities			
Lease liabilities		**89,604**	90,177
Defined benefit plan		**1,059**	948
Deferred revenue		**78,854**	78,854
Deferred tax liabilities		**72,888**	71,674
Other liabilities		**11,909**	10,819
Total non-current liabilities		**254,314**	252,472
Current liabilities			
Trade and bills payables	*11*	**541,570**	533,945
Other payables and accruals		**611,741**	661,261
Contract liabilities		**245,008**	233,961
Bank borrowings		**2,610,485**	2,137,716
Lease liabilities		**25,636**	24,503
Income tax payable		**20,489**	34,809
Total current liabilities		**4,054,929**	3,626,195
Total liabilities		**4,309,243**	3,878,667
EQUITY			
Equity attributable to the equity holders of the Company			
Share capital	*12*	**154,044**	154,173
Reserves		**5,975,114**	5,567,428
		6,129,158	5,721,601
Non-controlling interests		**56,607**	61,878
Total equity		**6,185,765**	5,783,479
Total equity and liabilities		**10,495,008**	9,662,146

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2025
(All amount in RMB unless otherwise stated)

1 CORPORATE INFORMATION

Ausnutria Dairy Corporation Ltd (the "**Company**") was incorporated as an exempted company with limited liability in the Cayman Islands on 8 June 2009. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal offices of the Group are located at (i) Unit 16, 36/F., China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong; (ii) Block A, Building 1, Ausnutria Building, Suncity, Purui East Road, Yueliangdao Street, Wangcheng District, Changsha City, Hunan Province, the People's Republic of China (the "**PRC**"); (iii) Dokter van Deenweg 150, 8025 BM Zwolle, the Netherlands; and (iv) 25-27 Keysborough Avenue, Keysborough VIC 3173, Australia.

The shares of the Company (the "**Shares**") were listed on the Main Board of The Stock Exchange of Hong Kong Limited since 8 October 2009. The Company and its subsidiaries are hereinafter collectively referred to as the "Group".

The Company acts as an investment holding company of the Group. During the year, the Group is principally engaged in research and development ("**R&D**"), production, marketing and distribution of dairy and related products and nutrition products to its worldwide customers, particularly in the PRC.

In the opinion of the directors, the parent and the ultimate holding company of the Company is Hongkong Jingang Trade Holding Co., Limited ("**Jingang Trade**") and Inner Mongolia Yili Industrial Group Co., Ltd. ("**Yili Industrial**"), respectively.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

2.1 Basis of preparation

The condensed consolidated interim financial statements for the six months ended 30 June 2025 have been prepared in accordance with International Accounting Standard ("**IAS**") 34 Interim Financial Reporting issued by the International Accounting Standards Board ("**IASB**"). The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2024. The condensed consolidated interim financial statements are presented in Renminbi ("**RMB**") and all values are rounded to nearest thousand (RMB'000), except when otherwise indicated.

2.2 Change in accounting policies

(a) New and amended standards adopted by the Group

The following amended standards and interpretations have been adopted by the Group for the first time to the financial reporting periods commencing on or after 1 January 2025:

		Effective for accounting periods beginning on or after
IAS 21 (Amendments)	Lack of exchangeability	1 January 2025

The amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) ***New and amended standards not yet adopted by the Group***

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for the reporting period beginning on 1 January 2025 and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions:

		Effective for accounting periods beginning on or after
IFRS 9 and IFRS 7 (Amendments)	Amendments to the classification and measurement of financial instruments	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	1 January 2026
IFRS 18	Presentation and disclosure in financial statements	1 January 2027
IFRS 19	Subsidiaries without public accountability: disclosures	1 January 2027

3 OPERATING SEGMENT INFORMATION

The Company's board of directors examines the Group's performance both from a product and geographic perspective and has identified two reportable segments of its business:

Dairy and related products segment: comprises the manufacturing and sale of dairy and related products, particularly on formula milk powder products, to its worldwide customers; and

Nutrition products segment: comprises the manufacturing and sale of nutrition products (mainly including probiotic related products and gut relief products) to its customers principally in Mainland China and Australia.

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

Segment assets exclude cash and cash equivalents, restricted cash, time deposits and long-term time deposits as these assets are managed on a group basis.

Segment liabilities exclude bank borrowings as these liabilities are managed on a group basis.

	Six months ended 30 June 2025 (unaudited)		
	Dairy and related products	**Nutrition products**	**Total**
	RMB'000	***RMB'000***	***RMB'000***
Segment revenue			
Sales to external customers *(Note 4)*	**3,731,253**	**155,534**	**3,886,787**
Rental income *(Note 6)*	**5,335**	**–**	**5,335**
Segment results	**267,875**	**(13,994)**	**253,881**
Reconciliation:			
Segment results			
Interest income *(Note 6)*			**17,706**
Unallocated finance costs (other than interest on lease liabilities)			**(15,159)**
Corporate and other unallocated expenses			**(15,267)**
Profit before tax			**241,161**
Other segment information			
Cost of goods sold	**2,170,846**	**88,256**	**2,259,102**
Selling and distribution expenses	**947,292**	**65,811**	**1,013,103**
Impairment losses recognised in profit or loss	**31,789**	**252**	**32,041**
Share of profits of investments accounted for using the equity method	**(3,723)**	**(12)**	**(3,735)**
Depreciation and amortisation	**146,115**	**11,177**	**157,292**
Capital expenditure*	**173,787**	**735**	**174,522**

	As at 30 June 2025 (unaudited)		
	Dairy and related products	**Nutrition products**	**Total**
	RMB'000	***RMB'000***	***RMB'000***
Segment assets	**8,504,972**	**444,770**	**8,949,742**
Reconciliation:			
Elimination of intersegment receivables			**(387,039)**
Corporate and other unallocated assets			**1,932,305**
Total assets			**10,495,008**
Segment liabilities	**1,759,872**	**325,925**	**2,085,797**
Reconciliation:			
Elimination of intersegment payables			**(387,039)**
Corporate and other unallocated liabilities			**2,610,485**
Total liabilities			**4,309,243**

	Six months ended 30 June 2024 (unaudited)		
	Dairy and related products *RMB'000*	Nutrition products *RMB'000*	Total *RMB'000*
Segment revenue			
Sales to external customers *(Note 4)*	3,535,723	145,340	3,681,063
Rental income *(Note 6)*	2,044	–	2,044
Segment results	194,564	(8,695)	185,869
Reconciliation:			
Segment results			
Interest income *(Note 6)*			20,991
Unallocated finance costs (other than interest on lease liabilities)			(30,530)
Corporate and other unallocated expenses			(5,251)
Profit before tax			171,079
Other segment information			
Cost of goods sold	2,006,179	77,195	2,083,374
Selling and distribution expenses	1,040,769	58,311	1,099,080
Impairment losses recognised in profit or loss	56,243	3,701	59,944
Share of profits and losses of investments accounted for using the equity method	4,597	(20)	4,577
Depreciation and amortisation	115,097	10,150	125,247
Capital expenditure*	129,932	3,309	133,241

	As at 31 December 2024 (audited)		
	Dairy and related products *RMB'000*	Nutrition products *RMB'000*	Total *RMB'000*
Segment assets	7,963,411	431,095	8,394,506
Reconciliation:			
Elimination of intersegment receivables			(386,636)
Corporate and other unallocated assets			1,654,276
Total assets			9,662,146
Segment liabilities	1,750,856	376,731	2,127,587
Reconciliation:			
Elimination of intersegment payables			(386,636)
Corporate and other unallocated liabilities			2,137,716
Total liabilities			3,878,667

* *Capital expenditure consists of additions to property, plant and equipment and other intangible assets.*

(a) **Non-current assets**

	30 June 2025 Unaudited *RMB'000*	31 December 2024 Audited *RMB'000*
The PRC	**2,029,434**	1,373,689
The Netherlands	**3,754,970**	3,342,161
Australia and New Zealand	**176,350**	183,373
	5,960,754	4,899,223

The non-current asset information above is based on the locations of the assets and excludes deferred tax assets.

(b) **Information about major customers**

During the six months ended 30 June 2025, there was no revenue from a single external customer accounting for 10% or more of the Group's total revenue (six months ended 30 June 2024: Nil).

4 REVENUE FROM CONTRACTS WITH CUSTOMERS

An analysis of revenue is as follows:

	Six months ended 30 June	
	2025 Unaudited *RMB'000*	2024 Unaudited *RMB'000*
Revenue from contracts with customers	**3,886,787**	3,681,063

(a) Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Six months ended 30 June 2025 (unaudited)		
	Dairy and related products *RMB'000*	**Nutrition products** *RMB'000*	**Total** *RMB'000*
Type of goods or services			
Sale of goods	**3,724,275**	**155,534**	**3,879,809**
Rendering services	**6,978**	**–**	**6,978**
Total revenue from contracts with customers	**3,731,253**	**155,534**	**3,886,787**
Geographical markets			
The PRC	**2,421,730**	**153,922**	**2,575,652**
Europe	**721,412**	**–**	**721,412**
Middle East	**295,817**	**–**	**295,817**
North and South America	**182,858**	**–**	**182,858**
Southeast Asia	**48,249**	**–**	**48,249**
Australia	**36,908**	**1,612**	**38,520**
Others	**24,279**	**–**	**24,279**
Total revenue from contracts with customers	**3,731,253**	**155,534**	**3,886,787**
Timing of revenue recognition			
At a point in time	**3,724,275**	**155,534**	**3,879,809**
Over time	**6,978**	**–**	**6,978**
Total revenue from contracts with customers	**3,731,253**	**155,534**	**3,886,787**

	Six months ended 30 June 2024 (unaudited)		
	Dairy and related products	Nutrition products	Total
	RMB'000	*RMB'000*	*RMB'000*
Type of goods or services			
Sale of goods	3,532,835	145,340	3,678,175
Rendering services	2,888	–	2,888
Total revenue from contracts with customers	3,535,723	145,340	3,681,063
Geographical markets			
The PRC	2,740,620	143,589	2,884,209
Europe	426,650	–	426,650
Middle East	197,967	–	197,967
North and South America	109,222	–	109,222
Southeast Asia	47,292	–	47,292
Australia	11,695	1,751	13,446
Others	2,277	–	2,277
Total revenue from contracts with customers	3,535,723	145,340	3,681,063
Timing of revenue recognition			
At a point in time	3,532,835	145,340	3,678,175
Over time	2,888	–	2,888
Total revenue from contracts with customers	3,535,723	145,340	3,681,063

5 EXPENSES BY NATURE

		Six months ended 30 June	
		2025	2024
		Unaudited	Unaudited
	Note	***RMB'000***	*RMB'000*
Raw materials, packaging materials, consumables and purchased commodity used		**1,792,126**	1,580,822
Changes in inventories of finished goods		**(34,466)**	21,564
Employee benefit expenses, including directors' emoluments	*(i)*	**729,386**	673,779
Promotion and advertising expenses		**551,807**	673,898
Depreciation of property, plant and equipment		**87,297**	74,571
Transportation expenses		**76,481**	57,833
Office expenses		**65,299**	71,712
Amortisation of other intangible assets		**55,143**	42,447
Consulting expenses		**52,542**	42,589
Travel and entertainment expenses		**38,525**	33,557
Repair and maintenance expenses		**35,577**	33,772
Laboratory expenses		**35,304**	38,328
Write-downs of inventories to net realisable value		**26,543**	59,800
Short-term rental expenses		**23,491**	29,061
Sampling expenses		**20,131**	15,251
Depreciation of right-of-use assets		**12,298**	5,761
Depreciation of investment property		**2,554**	2,468
Others		**52,994**	38,453
		3,623,032	3,495,666

(i) Employee benefit expenses (including directors' remuneration)

	Six months ended 30 June	
	2025	2024
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Wages, salaries and staff expenses	**494,461**	485,066
Temporary staff costs	**123,207**	100,499
Pension scheme contributions* and other social security costs	**76,682**	64,305
Other employee related expenses	**35,036**	23,909
Total employee benefit expenses	**729,386**	673,779

* *As at 30 June 2025, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (31 December 2024: Nil).*

6 OTHER INCOME, OTHER (LOSSES)/GAINS – NET

	Six months ended 30 June	
	2025	2024
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Other income		
Interest income	**17,706**	20,991
Government grants	**14,655**	17,883
Rental income	**5,335**	2,044
	37,696	40,918
Other losses – net		
Foreign exchange losses, net	**(30,128)**	(18,243)
Charitable donations	**(2,957)**	(883)
Others	**(8,665)**	(284)
	(41,750)	(19,410)

7 INCOME TAX

Taxes on assessable profits of the Company's subsidiaries have been calculated at the rates of tax prevailing in the jurisdictions in which the subsidiary operates.

Under Mainland China income tax laws, enterprises are subject to corporate income tax ("**CIT**") at a rate of 25%. The Group's subsidiaries, Ausnutria Dairy (China) Co., Ltd. ("**Ausnutria China**"), Bioflag Co., Ltd. and Bioflag (Anhui) Co., Ltd. (subsidiaries of Bioflag Nutrition Corporation Ltd. ("**Bioflag**")) were designated as High-tech Enterprises and were granted a preferential CIT rate of 15% up to the six months ended 30 June 2025. These three PRC subsidiaries were entitled to claim super tax deductions in relation to the qualifying expenditures under the Research and Development Tax Incentive regime in Changsha City, Huai'an City and Suzhou City of Mainland China.

Under the Netherlands income tax laws, enterprises are subject to the Netherlands CIT rate of 19% (six months ended 30 June 2024: 19%) for the first EUR200,000(six months ended 30 June 2024: EUR200,000) taxable profits and 25.8% (six months ended 30 June 2024: 25.8%) for taxable profits exceeding EUR200,000 (six months ended 30 June 2024: EUR200,000). Ausnutria B.V. and its subsidiaries (the "**Ausnutria B.V. Group**") have been granted a preferential tax benefit in April 2021 for the assessable profits generated in the Netherlands which covers the period from 2018 to 2025 for the recognition of Ausnutria B.V. Group's contribution on research and development in the past years. The preferential tax rate is 9% for the period from 2021 to 2025, on earnings that were or are to be generated by qualifying intellectual property.

Under Hong Kong tax laws, enterprises are subject to Hong Kong profit tax at a rate of 16.5% (six months ended 30 June 2024: 16.5%), except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime, where the first HK$2,000,000 (six months ended 30 June 2024: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (six months ended 30 June 2024: 8.25%) and the remaining assessable profits are taxed at 16.5%.

(a) The Organisation for Economic Co-operation and Development ("OECD") Pillar Two model rules

The Group has operations in Mainland China, Hong Kong, Taiwan, the Netherlands, United Arab Emirates, United States of America (the "**US**"), Australia, Cayman Islands and British Virgin Islands. It is within the scope of the OECD Pillar Two model rules. The Pillar Two model rules in the Netherlands and Australia come into effect from 1 January 2024. The Pillar Two model rules in Hong Kong and United Arab Emirates come into effect from 1 January 2025. No public announcements in respect of the implementation regarding Pillar Two model rules in other jurisdictions have been announced as of the reporting date.

The Group entities, except for those subsidiaries in the Netherlands, applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. The Group will incur top-up taxes due to the Pillar Two legislation that became effective on 1 January 2024. Under the legislation, the Group is liable to pay a top-up tax for the difference between its Global Anti-Base Erosion Proposal ("**GloBE**") effective tax rate in each jurisdiction and the 15% minimum rate.

The Group has performed an assessment of the potential exposure of the Group with respect to Pillar Two model rules. The assessment is based on the most recently available financial information and financial performance of the Group's entities in the respective jurisdictions.

The Group has estimated that the effective tax rates exceed 15% in most of the jurisdictions in which the Group entities operate, except for certain jurisdictions in Middle East where two of the Group's subsidiaries operate. As these entities are subsidiaries of Ausnutria B.V. Group, a sub-group in the Netherlands, where Pillar Two has already taken effect since 2024, a current income tax expense of approximate RMB4,486,000 was recognised in the statement of profit or loss of Ausnutria B.V. Group, based on management's assessment.

	Six months ended 30 June	
	2025	2024
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Current income tax		
Mainland China current CIT	**18,698**	22,544
Overseas current CIT	**13,608**	(246)
	32,306	22,298
Deferred income tax	**27,999**	(487)
Total tax charge for the period	**60,305**	21,811

8 INTERIM DIVIDEND

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

9 EARNINGS PER SHARE ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the six months ended 30 June 2025 attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares of 1,778,964,503 (six months ended 30 June 2024: 1,780,111,841) in issue during the period.

Earnings

	Six months ended 30 June	
	2025	2024
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Profit attributable to ordinary equity holders of the Company, used in the basic and diluted earnings per share calculations	**180,454**	145,392

Shares

	Six months ended 30 June	
	2025	2024
	Unaudited	Unaudited
	number of shares	*number of shares*
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculations	**1,778,964,503**	1,780,111,841
Effect of dilution – weighted average number of ordinary shares: share options	**–**	–
	1,778,964,503	1,780,111,841
Basic		
– For profit for the period *(RMB cents)*	**10.14**	8.17
Diluted		
– For profit for the period *(RMB cents)*	**10.14**	8.17

10 TRADE AND BILLS RECEIVABLES

	As at 30 June 2025 Unaudited *RMB'000*	As at 31 December 2024 Audited *RMB'000*
Trade receivables from third parties	**808,836**	636,973
Trade receivables from related parties	**83,856**	87,834
	892,692	724,807
Bills receivables	**6,920**	5,339
Less: Provision for impairment of trade receivables	**(45,436)**	(40,568)
	854,176	689,578

The Group normally allows a credit period from 1 to 6 months (six months ended 30 June 2024: from 1 to 6 months) to certain customers. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management and followed closely by operation teams. 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. Trade receivables are non-interest-bearing.

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

	As at 30 June 2025 Unaudited *RMB'000*	As at 31 December 2024 Audited *RMB'000*
Within 3 months	**736,689**	465,415
3 to 6 months	**42,083**	144,148
6 months to 1 year	**50,103**	81,161
Over 1 year	**63,817**	34,083
	892,692	724,807

The Group applies the simplified approach to provide for expected credit loss which was a lifetime expected loss allowance for all trade receivables as prescribed by IFRS 9.

The carrying amounts of trade and bills receivables approximated their fair values as at the balance sheet date, due to their short-term nature.

11 TRADE AND BILLS PAYABLES

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

	As at 30 June 2025 Unaudited ***RMB'000***	As at 31 December 2024 Audited *RMB'000*
Within 12 months	**541,536**	529,186
Over 12 months	**34**	4,759
	541,570	533,945

Trade payables are interest-free and are normally to be settled within 12 months.

The carrying amounts of trade and bills payables approximated their fair values as at balance sheet date, due to their short-term nature.

12 SHARE CAPITAL

	As at 30 June 2025 Unaudited ***HK$'000***	As at 31 December 2024 Audited *HK$'000*
Issued and fully paid:		
1,778,144,841 (2024: 1,779,538,841) ordinary shares of HK$0.10 each	**177,814**	177,954

A summary of balance of the Company's share capital is as follows:

	Number of shares in issue ***'000***	**Share capital** ***RMB'000***
As at 31 December 2024 (audited)	**1,779,539**	**154,173**
Cancellation of shares (a)	**(1,394)**	**(129)**
As at 30 June 2025 (unaudited)	**1,778,145**	**154,044**

(a) During the six months ended 30 June 2025, the Company repurchased 1,394,000 ordinary shares of its own through the Stock Exchange of Hong Kong Limited. The shares were cancelled during the reporting period and the total value of the shares repurchased of approximately HK$2,674,790 (equivalent to RMB2,473,185) was deducted from shareholders' equity.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

After two years of strategic adjustments and business optimisation, the Group maintained stable growth momentum in terms of revenue. For the 2025 Interim Period, revenue of the Group as a whole reached RMB3,886.8 million, representing an increase of RMB205.7 million, or 5.6%, from RMB3,681.1 million for the corresponding period of 2024. Such increase was mainly attributable to the outstanding performance of the Group's own-branded goat milk formulas (the "**Own-branded Goat Milk Formulas**" or "**Kabrita**") in its overseas markets. It beat market expectations again with a significant year-on-year ("**YoY**") growth of 65.7%. Secondly, the Group completed the strategic acquisition of the remaining 50% shares in Amalthea Group B.V. (the "**Amalthea**"), a goat cheese company in the Netherlands, in October 2024. This important move has not only enabled Kabrita to achieve self-sufficiency and control in terms of the raw materials of its core products, but also enriched the Group's business scope and provided a new stream of revenue growth by adding cheese to its product lines. Furthermore, a breakthrough in the nutrition business also contributed to the revenue increase in the first half of the year.

With respect to costs and expenses, the Group optimised its operations and implemented a number of cost control measures while striving to enhance its results during the 2025 Interim Period. At the same time, the Group insisted on improving the efficiency of its supply chain so as to enhance the effectiveness of its cost control in the face of rising milk prices, Euro appreciation and other challenges. For 1H 2025, the Group recorded profit attributable to the equity holders of the Company of RMB180.5 million, demonstrating a rebound of 24.1% as compared with the corresponding period of 2024.

Own-branded Goat Milk Formulas (Kabrita)

Sales of the Own-branded Goat Milk Formulas for the 2025 Interim Period amounted to RMB1,864.5 million, representing a YoY increase of RMB56.1 million, or 3.1%, and accounted for 48.0% (2024 Interim Period: 49.1%) of the Group's total revenue. Sales in the PRC and overseas markets amounted to RMB1,381.1 million and RMB483.4 million, respectively (2024 Interim Period: RMB1,516.7 million and RMB291.7 million, respectively), representing a YoY decrease of RMB135.6 million and a YoY increase of RMB191.7 million, respectively.

(a) Overseas Markets (including but not limited to the Middle East, the US, the CIS, Europe, Mexico, South Korea and Vietnam)

In the overseas markets, Kabrita once again achieved outstanding sales amounting to RMB483.4 million, representing a YoY surge of RMB191.7 million, or 65.7%, and accounted for an increased proportion, which was 25.9% (2024 Interim Period: 16.1%), of the total revenue of the Own-branded Goat Milk Formula business, during the reporting period. Such outstanding achievement was primarily attributable to strategic breakthroughs in three key regions, namely the Middle East, North America and the Commonwealth of Independent States (the "**CIS**"), brought by significant progress in channel expansion, product innovation and brand building in these markets.

Capitalising on Kabrita's quality guarantee based on its "complete industry chain" made up of self-managed milk farms, stringent milk collection requirements and advanced production techniques, as well as its clinically proven easy-to-absorb hallmark, Kabrita further consolidated its leading position in the Middle East market. This region remained the largest overseas sales destination of the Group and contributed 47.1%, representing a YoY increase of 54.2%, of the Group's total overseas revenue. The growth in the region was mainly driven by (1) the increasing contribution from mature markets: Kabrita enhanced the reputation of infant goat milk formula in a medical perspective by strengthening promotion on professional medical channels in key markets such as Saudi Arabia, the United Arab Emirates, Qatar and Kuwait, among which the extraordinary market performance in Saudi Arabia was the result of in-depth cooperation with local maternal and child care institutions and healthcare professionals that successfully boosted acceptance among local consumers and market penetration of infant goat milk formulas; and (2) the significant progress in entering new markets: the performance in the Oman market, which was newly developed in 2025, exceeded expectations and gave additional impetus to regional growth.

Looking forward, the Group will continue to cultivate the Middle East market, work towards a complete goat milk product portfolio and roll out innovative new products and marketing strategies in order to further increase the Group's market scale, brand influence and market share in the region, thereby laying a solid foundation for the long-term development of the Group's overseas business.

Revenue from North America (the US and Canada) jumped YoY by over 138.7%. This market emerged as the second largest overseas revenue source (accounted for 24.8%) of the Group and demonstrated enormous growth potential. Key factors in such success included (1) breakthroughs in both online and offline channels: in respect of online platforms, Kabrita has secured a leading position in terms of monthly sales in the goat infant milk formula ("**IMF**") category on Amazon US, demonstrating strong online consumer demand, while in May 2025, the brand successfully entered Wal-Mart, an offline channel, thereby further expanding its offline coverage on traditional channels and reaching a wider range of consumers; and (2) brand reputation earned from government and medical endorsement: being the first European IMF registered by the US Food and Drug Administration (the "**US FDA**"), Kabrita built up superior competitive strengths in terms of compliance and safety, while the latest guidelines of the American Academy of Pediatrics once again affirmed that goat IMF is an ideal substitute for cow IMF, resulting in more and more endorsement from healthcare professionals.

Revenue from the CIS grew YoY by 33.8%, showing strong rebound momentum. The growth was mainly driven by (1) economic recovery and revival of consumer confidence, which allowed the market to bounce back strongly; (2) a diversified and complete product portfolio: being a market developed by the brand for over a decade, the region has the most complete Kabrita product mix, spanning from standard formulas, special formulas, cereal baby foods, fruit puree to snacks, that is capable of meeting the diversified needs of local consumers; and (3) effective marketing strategies: through a "360-degree Marketing Strategy" that included promotion at maternity and baby product stores, education on social media and training for healthcare professionals, the brand won market awareness and obtained greater share in the milk market. The Group also strengthened its competitive strength in the region with strong e-commerce business operation ability and proper pricing strategies.

Kabrita has secured a leading position in the international goat milk formula market. Although the penetration of goat IMF into the international IMF market is still at a single-digit rate, it is gradually taking up market share from traditional cow milk powder due to its outstanding character of being easy-to-absorb and significant strength in reducing discomfort among babies. In April 2025, Kabrita successfully held an international medical seminar called "The Future of Goat Milk" in Amsterdam. The seminar was attended by over 100 medical professionals from 30 countries. The attendees engaged in in-depth discussion about the clinical advantages of goat milk formulas in terms of digestion and absorption. At the same time, the company initiated a number of large-scale clinical research projects in the European Union and the Middle East. These projects, which are expected to produce results between 2027 and 2028, will further enrich the scientific validation of goat milk formulas. With increasing proof by scientific researches as well as certification by the medical profession, Kabrita is reinforcing its leading position in the rapidly expanding goat milk formula segment and bringing more innovative breakthroughs to the global infant and young child nutrition sector.

(b) PRC Market

In the goat milk powder market, the Group's products continued to maintain their leading positions in the PRC. Both NielsenIQ and Frost & Sullivan affirmed that the market share of Kabrita in goat milk powder for infants and toddlers imported into the PRC exceeded 60% for seven consecutive years and that Kabrita continued to be the top-seller in the goat milk powder market globally in terms of both quantity and value.

For the 2025 Interim Period, the Kabrita goat milk powder business recorded revenue of RMB1,381.1 million in the PRC, representing a decrease of 8.9% as compared with the corresponding period last year and accounted for 35.6% of the Group's total revenue. Although shipment quantity faced short-term pressure arising from an upgrade of the internal coding system and a proactive adjustment to the channels' inventory level in the second quarter, the latest data from NielsenIQ showed that as at the end of June, the market share of the Group's brands rose steadily to 30.4%, up by 2.8 percentage points as compared with the corresponding period last year. Such increase demonstrated that the Group's new product rollout and channel optimisation strategies implemented in previous periods started to bear fruit, and that promotional sales at retail outlets and brand momentum were rising steadily.

In the 2025 Interim Period, Kabrita reinforced its market position as the "No. 1 Goat Milk Brand in the World" by multi-dimensional measures such as channel optimisation, new product upgrades and brand building according to its principal strategy of "Strengthening the Brand and Improving the Products".

In respect of channel operation and sales strategy, Kabrita pushed ahead with the strategy of "penetrating direct supply and expanding sales districts" through continuously increasing the contribution of direct-supply distributors and consolidating and optimising district resellers. At the same time, Kabrita effectively increased its market share in all channels thanks to its products as well as the delicacy management of complete lifecycle based on its "1+N+X" product matrix. Yuebai (悅白), one of its key products, successfully completed internal code upgrade and marketing project consolidation, thereby facilitating value chain optimisation; and the "N+X" product series further bolstered delicacy management and focused on optimising the bellwether system and increasing the coverage of its sales network.

With respect to product innovation and upgrade, Kabrita achieved strategic breakthroughs in all product series in the 2025 Interim Period. Yuebai (悅白), the flagship product, completed an all-round upgrade, which has not only renewed the exterior design to a white and gold two-colour combination and a taller lid, but also achieved dual breakthroughs in its formula: OPL, a structured lipid similar to that found in the human milk of Chinese mothers, and hypoallergenic whey protein that can greatly reduce allergens were added. Add to that the inherent advantages of the natural small molecule and A2 protein of goat milk, and the competitive strength of the product was further enhanced, as proven by the empirical evidence produced by the "5 easy-to-absorb nutrients" research. Glossom (晶綻), a premium product line, leveraged its high-end positioning as the first and only organic goat milk infant formula in the PRC to secure market-leading prices and strengthen its superior brand image. Jingcuiyuebai (晶萃悅白) and Yueqi (悅啟), two differential products catering to the diversified feeding needs of consumers, reinforced their market leading positions through precise positioning. On the other hand, Bojingyuebai (鉑晶悅白), a professional product, continued to win consumers' trust with its empirically proven hypoallergenic formula. At the same time, the company finished upgrading its toddler series and elderly series, namely Yingjia Baohu (營嘉葆護), to the new national standards, thereby providing consumers of all ages with nutritional solutions at a higher standard, and leading the industry to higher compliance level by scientifically improving their formulas and establishing a transparent system. These upgrades demonstrated Kabrita's ability to innovate relentlessly and determination to pursue quality.

In terms of brand building strategies, Kabrita implemented a series of major brand building campaigns during the reporting period: firstly, in the core brand value aspect, the company highlighted its differential product strength of yielding "clinically proven and visible effect on feeding" and reinforced the brand's professional image with authoritative clinical data in addition to the existing "easy-to-absorb and better nutrients" value proposition; secondly, in the outlet image building aspect, the company completed a systematic visual upgrade at retail outlets across the country and adopted a more contemporary and high-end design so as to highlight the tonality of the brand; and last but not least, in the digital marketing and communication aspect, the company established an all-round and integrated marketing strategy with innovative models, such as content placement in popular movies and television series, precise scenario marketing on life.douyin.com and KOL word-of-mouth marketing on Xiaohongshu, thereby attaining continuous increase in brand influence and sticking in the consumers' mind. Such strategic brand upgrading activities has not only effectively reinforced the brand's competitive strength, but also comprehensively enhanced Kabrita's brand premium and industry influence in the high-end maternity and child nutritional product market.

During the 2025 Interim Period, Kabrita maintained its leading position with clear strategic plans and effective execution ability amid intense market competition. Moving forward, the Company will continue to drive innovation, provide consumers with better products and services, and further consolidate its leading position in the global goat milk industry.

Own-branded Cow Milk Formulas (Hyproca)

In the 2025 Interim Period, notwithstanding some business challenges, the Group's own-branded cow milk formulas (the "**Own-branded Cow Milk Formulas**" or "**Hyproca**") continued to thrive on brand promotion, product upgrade, digital innovation and channel expansion, and achieved progressive results based on its market positioning as "premium nutritional milk powders". For the 2025 Interim Period, revenue from the Group's Own-branded Cow Milk Formulas amounted to RMB961.4 million, representing a YoY decline of RMB168.7 million, or 14.9%, and accounted for 24.7% (2024 Interim Period: 30.7%) of the Group's total revenue. The main reason for the decline in sales was a short-term decline in shipment quantity arising from an upgrade of the internal coding system and a proactive adjustment to the channels' inventory level in the second quarter. On the other hand, the latest statistics from NielsenIQ showed that the market share of the Group's cow milk powder brands stopped falling and has stabilised, demonstrating that the impact of internal consolidation and channel adjustment in the past few years on this business unit has ended. During the reporting period, Hyproca successfully adopted an internal coding system for its key products in order to digitally build a community of shared interests with the aims of helping the channels secure profits while providing consumers with an assuring all-process tracking experience, thereby driving the long-term synergistic growth of the brand and its outlets.

In the brand positioning aspect, Hyproca further exploited its core asset of being "premium products imported from the Netherlands" and built up differentiating competitive strength with two key product propositions, namely "upgraded, superior and luxurious A2 protein milk sources in the Netherlands" and "upgraded and complete nutrition for the immune system". In terms of professional endorsement, in March 2025, the brand has not only maintained its position as the best-selling infant and toddler comprehensive nutritional milk powder in the country, but also obtained four important awards in the industry. It also jointly published the 2025 White Paper on Complete Nutrition Milk Powder with think tanks in the milk powder industry to cement its professional image with authoritative data. On communication strategy, it formulated an all-scenario matrix comprising "product placement in major television series + elevator advertising + favourable comments on social media", as well as created original IP contents such as the Academy of Comprehensive Self-protection. In terms of interaction with consumers, the brand conducted a groundbreaking cross-sector collaboration with the Strawberry Music Festival and became the first maternity and child brand to participate in a major music event. Meanwhile, it created an immersive experience IP called the "Comprehensive Self-protection Amusement Park" to strengthen emotional connection with users through scenario-based marketing. These initiatives constructed a complete brand value system that continuously enhances the brand's premium and market influence in four aspects, namely product strength, professionalism, influence and experience.

In terms of product launches and upgrades, Hyproca upgraded and rolled out 7 products, including 4 IMFs and 3 toddler formulas, to further perfect its product portfolio. In the field of IMF, it completed a superior and luxurious upgrade of its flagship product, Hollory (荷致), that stresses two key selling points, namely "complete nutrition + comprehensive self-protection", in March. In April, a new product, Zhizhuo (稚卓), with a formula containing "43x colostrum + lactoferrin" was put on the market. Tianzhi (恬致), which features gentle nutrients that offer "37° true and pure care", and Yaozhi (耀緻), which has complete nutrients for the immune system including "high-end lactoferrin + 8 key milk-based nutrients", were rolled out in May and June, respectively. In respect of toddler formulas, three new products under the Nutrition Star (營養星球) series were launched to accurately target body growth, immune system and other niche markets. In May, Hyproca attended the China Dairy Technology Expo as a representative from an international dairy corporation to display the innovative strength of its complete industry chain. Such product upgrades and innovations have not only reinforced the brand's leading position in the high-end maternal and child nutrition market, but also provided product choices with higher competitive strength to the channel partners and achieved growth in both brand value and business value.

As to channel building, Hyproca achieved significant growth with its diversified channel strategies in the 2025 Interim Period. In respect of offline channels, the Company created high double-digit YoY growth for important channels by enhancing cooperation with key players: launching a new product, Tianzhi (恬致), under the exclusive cooperation with Wdbaby; nurturing Hollory (荷致) as a star product of Jiujiang Aiyingbao (九江愛嬰寶) with an annual sales of over RMB10 million; becoming one of the selected brands that meet the "Five Good Standards (五好標準)" of pgbaby (企鵝寶貝); and implemented the "Three Actions (三動)" strategy targeting the high-end market jointly with ZHONGYI BABY (中億孕嬰童). Meanwhile, the e-commerce channel performed brilliantly with a YoY sales increase of 59.96% as of June according to NielsenIQ, and won the "Top Growing Brands (增長先鋒品牌)" award given by JD Supermarket (京東超市). As to price management, the Group steadily raised the retail prices of Hollory (荷致), completely eliminated grey market sales and effectively safeguarded the channels' profitability through measures such as value chain optimisation and digitalised internal code management. These channel-building measures have reinforced the advantages of traditional channels while giving growth momentum to emerging channels, thus laying a solid foundation for the continuous growth of the brand. In the face of market competition, Hyproca will drive synergetic growth among all channels based on product strength and brand power.

Nutrition Business

For the 2025 Interim Period, revenue derived from the Group's nutrition business segment as a whole amounted to RMB155.5 million (2024 Interim Period: RMB145.3 million), representing a YoY increase of RMB10.2 million, or 7.0%. Both the upstream (Bioflag) and downstream (Aunulife Bio-Science Co. Ltd. ("**Aunulife**"), Nutriunion (Guangzhou) Interconnection Technology Co., Ltd. and Nutriunion (Hong Kong) Company Ltd. ("**NC**" and, together with Aunulife, "**NC Aunulife**")) divisions delivered impressive performance. Such success was mainly attributable to three key factors: market breakthroughs by popular bacteria strains, precise channel strategies and strong brand marketing synergies.

In terms of channel marketing strategies, the Group implemented differentiated plans to enhance the competitive strengths of each business segment. Bioflag achieved breakthroughs in its channels with three major measures: propelling growth with product innovation by enhancing strategic collaborations with key customers in medical channels, which accounted for 24% (2024 Interim Period: 22%) of the revenue derived from Bioflag's upstream operation; actively expanding into the rapidly-growing self-operated e-commerce channels and establishing in-depth cooperation with leading platforms, which contributed 16% (2024 Interim Period: 13%) of the revenue derived from Bioflag's upstream operation; and successfully entered high-end overseas markets, such as the US and France, and achieving ground-breaking growth in cross-border orders by participating in international exhibitions, optimising production techniques and adopting other initiatives. On the other hand, NC Aunulife adopted a two-pronged growth strategy: in terms of online channels, it focused on cooperation with key distributor partners in order to maintain its leadership in certain key product lines; and in terms of offline channels, it gave new impetus to the business by proactively exploring emerging markets and successfully implementing pilot projects on medical channels, while maintaining its position in existing market-leading areas.

In terms of product innovation, NC, the downstream operation, focused on achieving comprehensive upgrades and breakthroughs in its infant and child nutrition product lines during the 2025 Interim Period. In particular, new blockbuster products contributed 90% of the revenue growth of NC's downstream operations. NC Kids, the professional child nutrition brand in Australia under NC, launched two TGA-certified new products: G13+ BONE GROWTH (G13成長膠囊), which became the pick of the bunch of TGA-certified body growth products with industry-leading lysine content; and EyeQ EYES AND BRAIN (EyeQ腦力素), which supports the synergistic growth of children's eyes and brains with a scientific composition of three key nutrients. At the same time, Aunulife, the Group's domestic professional infant and child nutrition brand, conducted in-depth collaboration with DaddyLab, an authoritative inspection and evaluation institute, to jointly research, develop and roll out the monumental ShouHu PRO Probiotics (首護PRO益生菌), which broke the record in live bacteria content in the industry and delivers revolutionarily swift effect to improve the gut health of babies in 48 hours. With respect to kids' body growth, Aunulife innovated and launched the "Body Growth CP (長高CP)" series: Yigao 500 Probiotics (益高500益生菌), which helps the natural secretion of growth hormones by providing sufficient γ-aminobutyric acid; and Yuegao 420 Calcium and Zinc VD Nutritional Drink (躍高420鈣鋅VD營養飲), which created a systematic body-growth stimulating solution with industry-leading amount of calcium as well as 8 other golden nutrients. These new products have not only demonstrated the strong R&D and innovation ability of the Group, but also consolidated its leading position in the professional infant and child nutrition discipline.

In terms of brand-building, NC Aunulife implemented a multi-dimensional brand-upgrade strategy and improved the brands' influence and reputation effectively. Through a strategic cooperation with the Ambassadors' Treasure Dinner Season 2, a television programme of Beijing Radio & Television Station, the brands successfully communicated the health concept of "combining treatment and nutrition" to high-end consumers through demonstrations by celebrity guests. Meanwhile, Aunulife carried out in-depth cooperation with DaddyLab, an authoritative IP in the maternity and child industry, to jointly research, develop and roll out the ShouHu PRO Probiotics (首護PRO益生菌), thereby establishing a new joint research and innovation model in the industry and providing powerful endorsement to the brand's professional image. In the field of digital marketing, NC continued to focus on Xiaohongshu and placed precise contents targeting key consumers such as sophisticated mothers and white-collar workers, thereby successfully turning NC Gut Relief (NC養胃粉) and NC Seasonal Biotic Synbiotic Mix (NC舒鼻益生菌) into leading products in terms of search trends on their respective product segment, thus further strengthening the brand's advantageous position in the field of cross-border healthcare products. Such brand-building initiatives have systematically enhanced the Group's brand power and market influence in the professional nutrition and healthcare sector.

SCIENTIFIC RESEARCH ACHIEVEMENTS

Ausnutria always attaches great importance to scientific research, especially nutritional health studies. The Group attained impressive results from its scientific research projects in 1H 2025. It participated in various key national R&D projects including the "Research and Demonstration of Manufacturing Technology for New Generation of Infant Formula Based on Chinese Breast Milk Research Outcome (基於中國母乳研究的新一代嬰配乳粉製造技術研究及示範)" (a key project under "Technological Support for Food Manufacturing and Agricultural Product Logistics (食品製造與農產品物流科技支撐)") and the "Design of Formulated Foods for Special Medical Purpose for People with Specific Disease Conditions (特定疾病狀態人群特殊醫學用途配方食品創製)" (a key project under "R&D of Key Technologies for Food Nutrition and Safety (食品營養與安全關鍵技術研發)") in the 14th Five-Year Plan. In March, the Group held the Ausnutria Scholarship Presentation and Strategic Academic and Corporate Cooperation Contract Signing Ceremony at the Northeast Agricultural University, and inaugurated the Ausnutria Dairy & Northeast Agricultural University Dairy Innovation Centre. In May, it announced four new goat milk ingredients, namely goat milk casein hydrolysate, goat whey protein hydrolysate, goat milk lactoferrin and goat colostrum powder at the 31st annual meeting of the China Dairy Industry Association. In particular, the first three aforementioned key goat milk ingredients represented breakthroughs in the creation of internationally commercialised applications and filled the gap in the supply of protein hydrolysate and lactoferrin for the goat milk industry. In June, Bioflag, Yili Innovation Centre and New Nutrition jointly published the 2025 White Paper on Maternal-and-Infant-Derived Probiotics Research and Applications in China (《2025中國母嬰源益生菌研究及應用白皮書》). Bioflag's Yizhixian® Dietary Fiber and Probiotics Powder (益質纖®膳食纖維益生菌粉) was granted the Hot-selling Meal Replacement and Weight Management Product Award (代餐及體重管理類爆品獎), while the Group received a number of other awards in 1H 2025. In particular, the Group obtained the First Prize in the Science and Technology Awards of the China Dairy Industry Association with its "Research and Development of an Infant Milk Formula that Assists in Immunomodulation and Relieve Stress-induced Immune Dysfunction (一種有助於免疫調節和緩解免疫應激的嬰配粉的研究與開發)", Bioflag's Gold Standard Weight Management Probiotics – Lacticaseibacillus Paracasei K56 (體重管理金標益生菌副乾酪桿菌K56) received the Annual Innovative Technology (年度創新技術) award in the iSEEAWARD, and Kabrita's Jingcuiyuebai (晶萃悅白) was short-listed for the World Food Innovation Awards 2025.

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

The Group regards sustainability as the cornerstone of creating long-term shareholders' value and social value and put constant efforts into achieving the United Nations Sustainable Development Goals (SDGs) through globalised strategic resource allocation and complete industry chain business integration. In 2025, we strive to incorporate ESG concepts into our corporate governance and business decision-making process to manage risks and seize opportunities under the guidance of our action plans: "Better Nutrition", "Better Life" and "Better Environment". Leveraging technological innovations, it continues to advocate for saving energy and reducing emissions throughout its industry chain and fulfilled the green demand of the society.

Recognised by authoritative organisations for responsible operation: In February 2025, Ausnutria was honoured with four accolades by the government of Wangcheng District, Hunan Province, the PRC including the Enterprise with Outstanding Contribution to Economic Quality and Efficiency (經濟質效突出貢獻企業), Enterprise with Outstanding Contribution to the District's Industry (工業強區突出貢獻企業), Enterprise with Outstanding Contribution to Technological Innovation (科技創新突出貢獻企業) and Enterprise with Outstanding Contribution to Drive Consumption (消費引領突出貢獻企業). It also received the First Prize of the Local Development Contribution Award (發展貢獻一等獎), the Advanced Unit in Safe Production (安全生產先進單位) award and the Outstanding Talent Recruiting Enterprise (卓越引才企業) award from the Wangcheng Economic and Technological Development Zone of the PRC. These recognitions fully demonstrated the high level of appreciation shown by local governments of the Company's overall strength and contributions to their economies and regions, signified the Company's key position in driving high-quality regional development, and also acting as strong endorsement of the Company's operational sustainability and long-term competitiveness.

Strengthened green management throughout all processes: Ausnutria insists on embodying sustainability philosophy in its business operations and strives to save energy and reduce emissions throughout its industry chain. In the production process, Ausnutria continued to pursue higher clean production standard through upgrading technologies, rebuilding facilities and constructing and investing in environmental management equipment. Notably, the Pallas Plant, a new facility invested in and constructed by Ausnutria in the Netherlands, will realise zero nitrogen and carbon dioxide emissions in the whole production process. In respect of packaging design, Ausnutria cut the consumption of materials by reducing the weight of carton packaging and lowering the height of milk powder cans. With respect to the procurement of raw materials, Ausnutria proactively adopted a green procurement policy, established a stringent supplier selection system and prioritised partners with environmental certification and low-carbon production technique.

Standing by three sustainability pillars of "Better Nutrition", "Better Life" and "Better Environment", the Group will not only nourish life and growth by improving and diversifying its products and services, but also take practical actions to protect the environment and the Earth with constant technological innovations. We strongly believe that steadfastly implementing sustainable development strategy is the only way to uphold the Company's long-term resilience, brand reputation, compliant operation and, last but not least, stable returns for the shareholders.

OUTLOOK

Looking forward to the second half of 2025, major obstacles to the implementation of the Group's strategies in the second half of the year will include the falling number of newborns in the PRC, intensifying uncertainties in the macro-environment, as well as the fact that the internal coding system upgrade initiated by the Group in the second quarter will still be going through the transitional stage. Nevertheless, Ausnutria's confidence in the market and the future development of the Group remains resolute, and the Company will adjust its five-year strategic plan according to the development and competitive landscape of the industry. It will further clarify its future development goals: Ausnutria will stay strategically focused, constantly improve its corporate operation efficiency and execution ability for the interest of the consumers, insist on value and healthy management, and pursue its sustainability goals of "Better Nutrition", "Better Life" and "Better Environment".

2025 marks the beginning of a new strategic planning period for Ausnutria. The Group will renew and refine its five-year strategic plan according to the development and competitive landscape of the industry. In the second half of the year, the Group will be devoted to the following key strategic tasks:

1. focus on the Own-branded Goat Milk Formulas and premium cow milk formula businesses, keep up its investment in brand-building activities, consolidate its strength as the world's number one goat milk powder brand and a premium imported cow milk powder brand, and maintain healthy and sustainable business growth momentum by precise marketing strategies using the internal coding technology;

2. capitalise on the development of the industry and the strength of its complete industry chain, cultivate star bacteria strains, establish a comprehensive profit model and gradually cement its core competitive edge with respect to the Nutrition Business;

3. insist on its globalisation strategy, finish product upgrade and revamp in key markets such as the Middle East, the US and Canada, achieve sales breakthrough, increase its market share and expedite the development of the Indian market so as to accomplish the overseas market layout of the Own-branded Goat Milk Formulas;

4. continue to enhance the quality control, operational efficiency, cost competitiveness and reaction speed of its global supply chains;

5. establish an integrated global digital operating system to provide meticulous customer service and improve operational efficiency and corporate management;

6. support existing businesses and pave the way for future success by establishing a R&D and innovation ecosystem to fully utilise global R&D resources; and

7. continue to strengthen its corporate governance and internal controls.

DELAY IN PUBLICATION OF 2024 ANNUAL RESULTS ANNOUNCEMENT AND STATUS OF SELF-REVIEW

Background

In view of the short delay in publication of the Year 2024 annual results announcement (the "**2024 Annual Results**") (the "**Short Delay**"), the Board decided to conduct a self-review to assess the circumstances and root causes leading to the Short Delay and implement measures/improvements to avoid re-occurrence of similar events in the future, where necessary.

Scope of the self-review

The self-review has been completed and the scope of the self-review is as follows:

- assess the circumstances and root causes leading to the failure to publish the 2024 Annual Results within the prescribed timeframe under the Listing Rules;

- review the correspondences between the audit team and the Company during the Year 2024 annual audit process;

- identify improvement in the IT systems (if any); and

- provide suggestion of measures to be implemented to avoid re-occurrence of similar event in the future.

Given that (i) no material audit matter has been identified relating to the Short Delay at the material time; (ii) it was a short delay in publication of the 2024 Annual Results (seven business days); and (iii) the auditors issued an unqualified audit opinion for the 2024 Annual Results, the Board (including members of the Audit Committee) is of the view that the forementioned scope of the self-review is sufficient and adequate for this particular incident.

Results of the self-review and proposed measures to avoid re-occurrence

Based on the results of the self-review, the root cause of the Short Delay and the proposed measures to avoid re-occurrence of similar events in the future (including implementation status) are as follows:

	Proposed Measures	**Status of implementation**
Root Cause		
Temporary manpower challenges in the principal subsidiaries of the Group in the Netherlands region which adversely affected the timely preparation and provision of documents and information as requested by the auditors of the Group's subsidiaries in the Netherlands, thus delayed the audit progress and consequently led to the Short Delay. The temporary manpower shortage was mainly attributable to (i) the resignation of 2 out of the 3 key financial personnels in the finance department during the year ended 31 December 2024 and the resulting vacancies were only filled (i.e. back to full team size of 3 working staff) in late 2024, as labour with requisite skills and experience was not readily available in the Netherlands which made it difficult for the Group to identify suitable replacement; (ii) as the new staff were only appointed in late 2024, additional time was required for them to familiarise themselves with the Group's accounting systems and internal processes and procedures. Accordingly, additional time was required for them to become fully proficient in handling their respective work in the Netherlands and to deal with the relevant audit requests; and (iii) a surge of influenza cases in the Netherlands during the annual audit period, which adversely affected manpower in the Group's subsidiaries in the Netherlands.	Urgent staffing reinforcement with prioritising recruitment in 2025 to ensure sufficient staff to assist necessary annual audit related work.	For the finance department in the Netherlands region of the Group, the Company has successfully appointed additional staffs and the number of working staff in the group control team (who are the key personnels responsible for the financial reporting function) is expected to be doubled, from 3 full time employees as at 31 December 2024 to 6 full time employees in October 2025. Recruitment for three key positions in the group control team (one to replace temporary team leader, two specialists as new additions) has been successfully concluded, with all individuals either fully onboarded or in the final stages of onboarding. Recruitment for the remaining specialist role is actively underway and on track for completion in the third quarter of 2025. The Group will continue to conduct periodic training sessions for its working staff in the finance department to further enhance their financial reporting skills and experience to assist with necessary annual audit related work.

	Proposed Measures	Status of implementation
Other findings		
Certain financial reporting related work during the audit work period requires processing a significant volume of files and data.	Implementation of system updates and system integration to reduce unnecessary manual workload and reduce reliance on manual procedures to increase overall consolidation efficiency during annual audit period.	The Company is in the process of standardising all the ERP systems in the Netherlands into using the same system, enabling automated reconciliation, reducing human involvement and increasing the overall data quality and precision, which is expected to be implemented by the first quarter of 2026. The Company is also upgrading its consolidated reporting system to improve the overall efficiency and reduce manual workload, which is expected to be completed by the first quarter of 2026. Given that (i) the aforementioned system will be upgraded in stages; (ii) the relevant data and information in the existing systems have been backed up; and (iii) the existing systems will be available in parallel, it is expected that the aforementioned system updates and integration will not affect the schedule of the annual audit for the year ending 31 December 2025.

Views of the Board and the Audit Committee

Given that (i) the results of the self-review indicated that the Short Delay was mainly caused by short term manpower challenges in the Netherlands region, which could be resolved by expediting staff recruitment and reducing excessive manual workloads as suggested in the above proposed measures; (ii) the self-review did not identify any other significant matters that may lead to re-occurrence of similar event; and (iii) the proposed measures from the self-review as depicted above, once implemented, will minimise the risk of staff shortage in the future and improve the efficiency during the annual audit period such that the Group will have additional resources to more timely and efficiently prepare and provide the relevant documents and information (such as financial reporting packages) as requested by the auditors of the Company in the Netherlands regions, the Board (including members of the Audit Committee) is of the view that the Short Delay is a one-off event and the proposed measures are appropriate, effective and adequate for this particular incident and should avoid re-occurrence of similar events in the future.

FINANCIAL REVIEW

Analysis on Condensed Consolidated Statement of Profit or Loss

Revenue

		Six months ended 30 June			Proportion to total revenue Six months ended 30 June	
		2025	2024	Change	**2025**	2024
	Notes	***RMB'M***	*RMB'M*	%	**%**	%
		(Unaudited)	(Unaudited)		**(Unaudited)**	(Unaudited)
Own-branded formula milk powder products:						
Cow milk (in the PRC)	*(i)*	**961.4**	1,130.1	(14.9)	**24.7**	30.7
Goat milk (in the PRC)	*(i)*	**1,381.1**	1,516.7	(8.9)	**35.6**	41.2
Goat milk (elsewhere)	*(i)*	**483.4**	291.7	65.7	**12.4**	7.9
		1,864.5	1,808.4	3.1	**48.0**	49.1
		2,825.9	2,938.5	(3.8)	**72.7**	79.8
Cheese, Private Label and others:						
Cheese	*(ii)*	**478.7**	–	–	**12.3**	–
Private Label and others	*(iii)*	**426.7**	597.3	(28.6)	**11.0**	16.2
		905.4	597.3	51.6	**23.3**	16.2
Dairy and related products		**3,731.3**	3,535.8	5.5	**96.0**	96.1
Nutrition products	*(iv)*	**155.5**	145.3	7.0	**4.0**	3.9
Total		**3,886.8**	3,681.1	5.6	**100.0**	100.0

Notes:

(i) Representing the sales of own-branded cow milk formula products in the PRC and Kabrita in the PRC, the Middle East, the US, the CIS, Europe, Canada, South Korea, South Africa, Mexico, etc.

(ii) Representing the sales of goat cheese, semi-hard goat cheese and related by-product.

(iii) Representing the sales of formula milk powder products (including IMF) under the customers' own brands as well as milk, milk powder, cream and other milk derived ingredients such as whey protein powder, etc.

(iv) Representing the sales of nutrition products in the PRC and Australia.

The Group recorded revenue of RMB3,886.8 million for the 2025 Interim Period, representing an increase of 5.6% from the 2024 Interim Period. The increase in revenue was mainly due to the significant surge in the performance of Kabrita overseas and increment in sales of goat cheese contributed by newly acquisition of Amalthea in October 2024.

Own-branded Goat Milk Formulas

For the 2025 Interim Period, revenue of the Group's Own-branded Goat Milk Formulas amounted to RMB1,864.5 million, representing a YoY increase of 3.1%. The increase in revenue was mainly attributable to (i) revenue from Kabrita overseas increased YoY by RMB191.7 million or 65.7%, which maintained strong momentum in the Middle East, North America, the CIS, and other expanding markets, as the Group continuing to capitalise fully on increasing consumer segmentation and penetration through focused mega-brand strategy to cater to more diverse consumers and maintaining Kabrita's leadership in global markets; and (ii) sales of Kabrita in the PRC decreased YoY mainly due to a similar short-term and one off proactive adjustments in its distribution channel in the second quarter of 2025, with the aims to optimizing sales channel by implementing internal coding system and reducing the inventory and liquidity pressure of its distributors to ensure long-term healthy development of Kabrita in PRC.

Own-branded Cow Milk Formulas

For the 2025 Interim Period, revenue of the Group's Own-branded Cow Milk Formulas amounted to RMB961.4 million, representing a YoY decrease of 14.9%. The decrease was mainly resulted from (i) the ongoing fierce challenges being faced by the entire IMF industry in Mainland China; and (ii) implementing internal coding system in the second quarter of 2025 along with a similar short-term and one off proactive adjustments in its distribution channel to boost its competitive strength in terms of channel management, distributor co-operation and brand, the adjustments temporarily reduced the sales of the Own-branded Cow Milk Formulas in the short run, but it enhanced the competitive strength in the long run.

Cheese, Private Label and Others

The Group is also engaged in the sales of goat cheese, dairy related products such as milk, milk powder, cream and other milk derived ingredients such as whey protein powder. The Group acquired the remaining 50% equity interest in Amalthea in October 2024 and turned it into a wholly-owned subsidiary of Group, further enriching the product portfolio in oversea markets and meeting diversified consumer demands, resulted in an increase in goat cheese related revenue of approximately RMB478.7 million. The Private label and others revenue contributed by these businesses remained comparable with the prior period.

Nutrition business

For the 2025 Interim Period, revenue derived from the nutrition products amounted to RMB155.5 million, representing a YoY increase of RMB10.2 million, or 7.0%, driven by continued promotion through online channels, product portfolio premiumization and increasing demands for nutritional supplements that support the physical well-being.

Gross profit and gross profit margin

	Six months ended 30 June		Six months ended 30 June	
	2025	2024	**2025**	2024
	RMB'M	*RMB'M*	***%***	*%*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Own-branded formula milk powder products:				
Cow milk	**502.7**	600.5	**52.3**	53.1
Goat milk	**1,028.1**	1,011.2	**55.1**	55.9
	1,530.8	1,611.7	**54.2**	54.8
Cheese, Private Label and others:				
Cheese	**32.7**	–	**6.8**	–
Private Label and others	**25.3**	(19.8)	**5.9**	(3.3)
Dairy and related products	**1,588.8**	1,591.9	**42.6**	45.0
Nutrition products	**65.4**	65.6	**42.1**	45.1
	1,654.2	1,657.5	**42.6**	45.0
Less: provision for inventories	**(26.5)**	(59.8)		
Total	**1,627.7**	1,597.7	**41.9**	43.4

The Group's gross profit for the 2025 Interim Period was RMB1,627.7 million, representing an increase of RMB30.0 million, or 1.9%, when compared with the 2024 Interim Period. The decrease in the gross profit margin of the Group from 43.4% for the 2024 Interim Period to 41.9% for the 2025 Interim Period was primarily due to the aggregate effect of (i) the newly consolidated goat cheese business from the second half year of 2024, with lower gross margin of 6.8% and a relatively high sales proportion (approximately accounted for 12.3% of total revenue), led to a negative impacts on the Group's gross profit margin in current period; (ii) the decrease in inventories provision due to the Group continuingly improving production planning and logistics lead times at upstream production facilities and better control the freshness and hence shelf life of its products since the prior year. Provision for inventories arising from shelf life issue decreased accordingly; and (iii) less discount and rebates granted to distributors for the Group's own-branded old national standards infant formula cow milk powder products after new national standards product launches and optimise product portfolio compare with prior period.

Selling and distribution expenses

Selling and distribution expenses, which mainly comprised advertising and promotion expenses, exhibition and trade show expenses, salaries and travelling costs of the sales and marketing staff and delivery costs, represented 26.1% of the revenue for the 2025 Interim Period (2024 Interim Period: 29.9%). The decrease in the selling and distribution expenses was primarily due to the optimisation distribution channel strategies when launch of internal code products in China market and lead the corresponding promotional activities expenses a short-term decreased in current period, the Group also continuingly take measures in all markets to improve the spending efficiency in the long term.

Administrative expenses

Administrative expenses mainly comprised staff costs, travelling expenses, office expenses, auditor's remuneration, professional fees and depreciation. The increase in administrative expenses was mainly due to the increase in staff costs and professional fees.

Other income, other (losses)/gains – net

The amount mainly represented (i) subsidies from the PRC government of RMB14.7 million (2024 Interim Period: RMB17.9 million); (ii) the interest income derived from the bank deposits of RMB17.7 million (2024 Interim Period: RMB21.0 million); and (iii) foreign exchange losses mainly generated from RMB/AED against EUR amounted to RMB30.1 million (2024 Interim Period: RMB18.2 million).

Finance costs – net

The finance costs of the Group for the 2025 Interim Period amounted to RMB16.8 million (2024 Interim Period: RMB31.1 million), representing mainly the interest on bank borrowings raised principally for the financing of the upstream capital expenditures of the Group, particularly in the Netherlands.

The decrease in finance costs was mainly due to the lower interest rate of bank borrowing and the decrease weighted average bank borrowings balances compare with the prior period. As at 30 June 2025, approximately 96.3% (31 December 2024: 100%) of the Group's bank borrowings are denominated in EUR.

Share of profits/(losses) of investments accounted for using the equity method

The amount mainly represented share of profits of Farmel Holding B.V. and its subsidiaries (the "**Farmel Group**") of RMB4.1 million for the 2025 Interim Period (2024 Interim Period: share of losses amounted to RMB5.9 million). The Farmel Group is principally engaged in the collection and trading of milk and dairy related commodities in Europe, the purpose for the investment in the Farmel Group is to secure the long-term milk supply for the Group's operations in the Netherlands.

Income tax expenses

The effective income tax rate of the Group increased from 12.7% for the 2024 Interim Period to 25.0% for the 2025 Interim Period. The increase in effective income tax rate by 12.3 percentage points was mainly due to the increase of non-deductible expenses and the impact of Pillar Two rules during the period.

Profit attributable to equity holders of the Company

The Group's profit attributable to equity holders of the Company for the 2025 Interim Period amounted to RMB180.5 million, representing an increase of RMB35.1 million, or 24.1% when compared with the 2024 Interim Period.

Such increment in the Group's reported net profit is primarily attributable to the favorable impact from: (i) the strong performance of Kabrita overseas leading to higher gross profit margin; (ii) the selling and distribution expenses other than promotional expenditures to revenue ratio decreased, strengthening the profitability of the Group; and (iii) the improvement of global supply chain, resulting in less inventory provisions being recorded during the period.

Analysis on Condensed Consolidated Statement of Financial Position

As at 30 June 2025, the total assets and net asset value of the Group amounted to RMB10,495.0 million (31 December 2024: RMB9,662.1 million) and RMB6,185.8 million (31 December 2024: RMB5,783.5 million), respectively.

The increase in total assets of the Group as at 30 June 2025 was mainly attributable to the net effects of:

(i) the net increase of cash and cash equivalent, time deposit and long-term time deposits, with original maturity over one year total amounted to RMB278.1 million in order to increase interest income;

(ii) the trade and bill receivables balance from customers increased by RMB164.6 million as a result of the increase in revenue from overseas market; and

(iii) the increase of property, plant and equipment of RMB337.6 million, mainly arising from the additions of construction in progress for the building of the new IMF factory in the Netherlands as well as positively affected by the appreciation of EUR against RMB.

The increase in net assets of the Group as at 30 June 2025 by RMB402.3 million was mainly resulted from the net effects of (i) the net profit attributable to equity holders of the Company generated for the 2025 Interim Period of RMB180.5 million (2024 Interim Period: RMB145.4 million); (ii) exchange difference on translation of foreign operations of RMB329.2 million mainly generated from the appreciation of EUR against RMB; and (iii) the payment of final 2024 dividend of RMB98.5 million during the 2025 Interim Period.

Working Capital Cycle

As at 30 June 2025, the current assets to current liabilities ratio of the Group was 1.03 times (31 December 2024: 1.21 times).

An analysis of key working capital cycle is as follows:

	Six months ended 30 June		
	2025	2024	Change
	Number of days	*Number of days*	*Number of day*
Inventories turnover days	**155**	175	(20)
Debtors' turnover days	**36**	37	(1)
Creditors' turnover days	**43**	49	(6)

The decrease in Group's inventories turnover days mainly due to the continuous improvement in production planning and logistics lead time in the global supply chain.

The turnover days of the Group's trade and bills receivables/payables were in line with the credit periods granted to the customers/by the suppliers.

MATERIAL INVESTMENTS AND ACQUISITIONS AND DISPOSALS

The Company did not make or hold any significant investments (including any investment in an investee company representing 5% or more of the Company's total assets as at 30 June 2025) during the 2025 Interim Period and there were no material acquisitions or disposals of subsidiaries, joint ventures or associated companies during the 2025 Interim Period and up to the date of this announcement.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as otherwise disclosed in this announcement, the Company did not have other plans for material investments or purchase of capital assets.

TREASURY POLICY

The Group has adopted a prudent treasury policy in respect of investments in financial products. Any surplus funds of the Group will only be invested in time deposits or low risk financial instruments from reputable commercial banks that can be redeemed within a short notice period, including primary bank-sponsored wealth management products, money market funds and interbank deposits.

FINANCIAL RESOURCES AND LIQUIDITY

The Group adopts conservative financial management policies. A summary of liquidity and financial resources is set out below:

	Notes	**30 June 2025** ***RMB'M*** **(Unaudited)**	31 December 2024 *RMB'M* (Audited)
Bank borrowings		**(2,610.5)**	(2,137.7)
Lease liabilities		**(115.2)**	(114.7)
Less: Restricted cash	*(i)*	**9.3**	9.3
Time deposits	*(ii)*	**65.8**	206.2
Long-term time deposits, with original maturity over one year	*(ii)*	**912.2**	224.1
Cash and cash equivalents	*(ii)*	**945.1**	1,214.70
Net debt		**(793.3)**	(598.1)
Total assets		**10,495.0**	9,662.10
Shareholders' equity		**6,129.2**	5,721.60
Gearing ratio	*(iii)*	**7.6%**	6.2%
Solvency ratio	*(iv)*	**58.4%**	59.2%

Notes:

(i) An analysis of restricted cash by currency is set out below:

	30 June 2025		31 December 2024	
Currency	***RMB'M***	***%***	*RMB'M*	*%*
	(Unaudited)	**(Unaudited)**	(Audited)	(Audited)
RMB	**8.2**	**88.2**	8.3	89.3
Others	**1.1**	**11.8**	1.0	10.7
Total	**9.3**	**100.0**	9.3	100.0

(ii) An analysis of cash and cash equivalents, time deposit and long-term time deposits by currency is set out below:

	30 June 2025		31 December 2024	
Currency	***RMB'M***	***%***	*RMB'M*	*%*
	(Unaudited)	**(Unaudited)**	(Audited)	(Audited)
RMB	**1,593.3**	**82.9**	1,361.1	82.7
US$	**215.4**	**11.2**	123.8	7.5
EUR	**39.5**	**2.1**	65.1	4.0
HK$	**32.9**	**1.7**	37.1	2.3
Others	**42.0**	**2.1**	57.9	3.5
Total	**1,923.1**	**100.0**	1,645.0	100.0

(iii) Calculated as a percentage of net bank loans and lease liabilities over total assets.

(iv) Calculated as a percentage of shareholders' equity over total assets.

The Group is dedicated to maintain its overall liquidity by maximizing the cashflows generated from operating activities, particularly on the control of the inventory level, and increasing the facilities with banks to reserve sufficient funding to support its business development, in particular to meet the Group's strategy of building of the new IMF base powder facility (the "**New IFBP Facility**") and other related facilities in the Netherlands and the expansion into the nutrition business.

Following the continued corporate guarantee executed by the ultimate shareholder (namely, Yili Industrial), the Group has renewed the facilities from main cooperating banks with more favorable terms during the 2025 Interim Period. As at 30 June 2025, the Group had outstanding borrowings of RMB2,610.5 million (31 December 2024: RMB2,137.7 million), all of which was due within one year (31 December 2024: same).

An analysis of the Group's outstanding borrowings by currency is set out below:

Currency	**30 June 2025**		31 December 2024	
	RMB'M	***%***	*RMB'M*	*%*
	(Unaudited)	**(Unaudited)**	(Audited)	(Audited)
EUR	**2,512.8**	**96.3**	2,137.0	100.0
Others	**97.7**	**3.7**	–	–
Total	**2,610.5**	**100.0**	2,137.0	100.0

As at 30 June 2025, the major outstanding borrowings of RMB2,553.9 million were guaranteed by the ultimate shareholder (namely, Yili Industrial) and the secured short-term bank borrowings of the Group of RMB55.5 million were secured by the pledge of accounts receivable, inventory, and property, plant, and equipment of the Amalthea, a wholly-owned subsidiary of the group, as at 30 June 2025 (31 December 2024: Nil).

FOREIGN EXCHANGE RISK

The operations of the Group are mainly carried out in the PRC, the Netherlands and Australia. During the 2025 Interim Period, revenue, cost of sales and operating expenses of the Group are mainly denominated in RMB, Hong Kong dollars ("**HK$**"), Euro ("**EUR**"), United States dollars ("**US$**"), Australian dollars ("**AUD**") or Taiwan dollars ("**TWD**") and RMB is the Group's presentation currency. Besides, most of the bank deposits and bank loans of the Group are denominated in RMB and EUR, respectively. The Group is exposed to potential foreign exchange risk as a result of fluctuation of HK$, EUR, US$, AUD or TWD against RMB.

The Group adopts a hedging policy to actively manage its currency risk exposure concerning non-RMB denominated indebtedness. Depending on the market circumstances, trend of currency rates and the cost of hedging, the Group will consider and enter into a hedging arrangement to mitigate the impact of RMB fluctuation against other operating currencies if necessary.

The management monitors closely on its foreign currency exposure to ensure appropriate measures are taken promptly against any significant potential adverse impact.

INTEREST RATE RISK

The Group has exposure to the risk of change in market interest rate in relation to its bank borrowings with a floating interest rate. As at 30 June 2025, the Group did not have any outstanding interest rate swap contract and will consider and enter into interest rate swap or cap contract to mitigate the risk of floating interest rate if necessary.

CREDIT RISK

The Group seeks to maintain strict control over its outstanding receivables and closely monitors the collection to minimize credit risk. As the Group's exposure spreads over a diversified portfolio of customers, there is no significant concentration of credit risk.

The carrying amounts of cash and cash equivalents, trade and bills receivables, deposits and other receivables represent the Group's maximum exposure to credit risk in relation to the Group's other financial assets.

CAPITAL COMMITMENTS

As at 30 June 2025, the Group had contracted, but not provided for, capital commitments mainly in respect of purchase of land and buildings, plant and machineries, and other intangible assets of a total of RMB101.3 million (31 December 2024: RMB111.4 million).

CONTINGENT LIABILITIES

As at 30 June 2025, the Group did not have any significant contingent liabilities (31 December 2024: Nil).

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the 2025 Interim Period, the Company repurchased 1,394,000 Shares on the Stock Exchange at a total consideration of HK$2,674,790. The repurchase was effected by the Board for the enhancement of shareholder value in the long term. Details of the Shares repurchased by the Company during the 2025 Interim Period are disclosed as below:

Month of Repurchase	**Aggregate number of Shares repurchased**	**Repurchased Price** Highest	Lowest	**Total consideration paid**
		HK$	*HK$*	*HK$*
January	118,000	1.89	1.84	220,190
April	674,000	1.96	1.91	1,309,920
May	602,000	1.95	1.85	1,144,680
Total	1,394,000			2,674,790

Notes:

1. 118,000 Shares repurchased by the Company were cancelled on 31 March 2025 and 1,276,000 Shares repurchased by the Company were cancelled on 4 June 2025.

2. The total consideration paid excluded expenses paid for the Share repurchase.

Save for the above, neither the Company nor any of its subsidiaries purchased, redeemed or sold interest in any of the Shares (including sale of treasury shares, as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")) during the 2025 Interim Period. As at 30 June 2025, the Company did not hold any treasury shares (as defined under the Listing Rules).

CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving high standards of corporate governance within the Group at all times and believes that such practices help safeguard the interests of the Shareholders, enhance corporate value and accountability, and improve its performance.

The Company has adopted the code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to Listing Rules as its own code of corporate governance practices. The Board also strives to implement the best practices embodied in the CG Code whenever feasible and as far as practicable.

In the opinion of the Board, the Company has complied with the respective code provisions of the CG Code during the 2025 Interim Period and up to the date of this announcement. The Company will continue to review its corporate governance practices from time to time to ensure they comply with the CG Code and align with the latest developments.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as contained in Appendix C3 to the Listing Rules as the standards for the Directors' dealings in the securities of the Company. Having made specific enquiries with all Directors by the Company, the Directors confirmed that they have complied with the required standard set out in the Model Code during the 2025 Interim Period.

The Group has a written guideline "Employees' Code of Dealing the Securities of the Company" for its senior management and employees who are likely to be in possession of unpublished inside information of the Company on terms no less exacting than the Model Code and the Guidelines on Disclosure of Inside Information of the Securities and Futures Ordinance (the "**SFO**"). Such guideline provides a general guide and standards for the Company's senior management, officers and relevant employees in dealing in the securities of the Company.

AUDIT COMMITTEE

The Audit Committee comprises all INEDs, and was established with written terms of reference in compliance with Rules 3.21 to 3.23 of the Listing Rules. The primary duties of the Audit Committee are to provide the Board with an independent review of the effectiveness of the financial reporting process, internal control and risk management of the Group, oversee the audit process and perform other duties and responsibilities stated in the written terms of reference.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim report of the Company for the 2025 Interim Period, which contains the detailed results and other information of the Company for the 2025 Interim Period required pursuant to Appendix D2 to the Listing Rules, will be despatched to the Shareholders and published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.ausnutria.com.hk in due course. This announcement can also be accessed on the above websites.

By order of the Board
Ausnutria Dairy Corporation Ltd
HAN Shixiu
Chairman

The PRC, 27 August 2025

As at the date of this announcement, the Board comprises Mr. Ren Zhijian (CEO), Mr. Bartle van der Meer and Mr. Zhang Zhi as the executive Directors; Mr. Han Shixiu (Chairman), Ms. Yan Junrong and Mr. Zou Ying as the non-executive Directors; and Mr. Ma Ji, Mr. Chen Fuquan and Mr. Aidan Maurice Coleman as the independent non-executive Directors.