# CHINA MENGNIU DAIRY COMPANY LIMITED

## 中國蒙牛乳業有限公司*

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

**(Stock Code: 2319)**

## ANNOUNCEMENT OF THE INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

**HIGHLIGHTS**

- Driven by proactive product innovation, omni-channel expansion and precise brand reach, the revenue of the Group amounted to RMB44,794.9 million, representing a year-on-year increase of 7.8%.
- The Group further advanced the implementation of its "One Core, Two Wings" strategy and strengthened lean operations, achieving an operating profit of RMB3,676.3 million, with an operating profit margin of 8.2%. Profit attributable to owners of the Company increased by 15.9% year-on-year to RMB2,371.5 million. During the period, the Group made the income tax adjustment payment in compliance with the relevant requirements of PRC CIT Law; the profit attributable to owners of the Company decreased by RMB319.9 million.
- The six major business segments under the "One Core" strategy achieved comprehensive growth, with overall business growth accelerating significantly, and the business structure demonstrating a clear trend towards diversification. In particular, the liquid milk business led the industry in growth rate, and the fresh milk, cheese, and milk formula (on a comparable basis) businesses all recorded year-on-year growth of over 30%.
- The staging of the 2026 Winter Olympics and the FIFA World Cup presented the Group with unprecedented marketing opportunities. Across all six business segments, the Group aligned its entire brand and product portfolio with these premier sporting events, achieving comprehensive synergy across brand momentum, consumer mindshare, and retail-level sales activation. As a result, for these two major sporting events, the Group led the industry in social media buzz, user engagement, brand reputation, and omni-channel sales activation across both online and offline channels. This has laid a solid brand and operational foundation for the Group to continue capturing incremental growth and consolidating its industry-leading position in the second half of the year.

* *For identification purposes only*

The board (the "Board") of directors (the "Directors") of China Mengniu Dairy Company Limited (the "Company") is pleased to present the unaudited consolidated interim results of the Company and its subsidiaries (the "Group" or "Mengniu") for the six months ended 30 June 2026, together with the comparative amounts. The interim results and interim financial information have been reviewed by the audit committee (the "Audit Committee") and the auditors of the Company.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*for the six months ended 30 June 2026 — unaudited*
*(Expressed in Renminbi ("RMB"))*

| | | Six months ended 30 June | |
|---|---|---|---|
| | | **2026** | 2025 |
| | *Notes* | ***RMB'000*** | *RMB'000* |
| **Revenue** | *4* | **44,794,932** | 41,567,160 |
| Cost of sales | | **(26,537,077)** | (24,214,846) |
| **Gross profit** | | **18,257,855** | 17,352,314 |
| Other income and gains | *5* | **314,249** | 401,714 |
| Selling and distribution expenses | | **(12,362,376)** | (11,614,279) |
| Administrative expenses | | **(1,941,149)** | (1,947,350) |
| Impairment loss on trade receivables and other financial assets reversed/(recognised), net | | **6,523** | (115,374) |
| Loss on derecognition of financial assets measured at amortised cost | | **(3,138)** | (17,291) |
| Other expenses | *6* | **(699,390)** | (568,107) |
| Interest income | | **502,772** | 539,957 |
| Finance costs | | **(465,367)** | (608,065) |
| Share of results of associates | | **40,139** | (585,078) |
| **Profit before tax** | *7* | **3,650,118** | 2,838,441 |
| Income tax expense | *8* | **(1,149,357)** | (684,459) |
| **Profit for the period** | | **2,500,761** | 2,153,982 |
| Attributable to: | | | |
| Owners of the Company | | **2,371,497** | 2,045,524 |
| Non-controlling interests | | **129,264** | 108,458 |
| | | **2,500,761** | 2,153,982 |
| **Earnings per share attributable to ordinary equity holders of the Company (expressed in RMB per share)** | *10* | | |
| Basic | | **0.612** | 0.523 |
| Diluted | | **0.612** | 0.523 |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*for the six months ended 30 June 2026 — unaudited*
*(Expressed in RMB)*

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| **Profit for the period** | **2,500,761** | 2,153,982 |
| **Other comprehensive income** | | |
| *Other comprehensive income that may be reclassified to profit or loss in subsequent periods:* | | |
| Exchange differences on translation of foreign operations | **451,983** | 252,591 |
| Effective portion of changes in fair value of hedging instruments arising during the period | | |
| — Total hedging gain/(loss) recognised in other comprehensive income (excluding exchange differences) | **2,332** | (116,442) |
| — Amount reclassified from other comprehensive income to profit or loss | **(59,891)** | (30,796) |
| **Net other comprehensive income that may be reclassified to profit or loss in subsequent periods** | **394,424** | 105,353 |
| *Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:* | | |
| Exchange differences on translation | **(472,184)** | (184,738) |
| Equity investments designated at fair value through other comprehensive income: | | |
| — Changes in fair value | **(4,906)** | 19,103 |
| **Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods** | **(477,090)** | (165,635) |
| **Other comprehensive income, net of tax** | **(82,666)** | (60,282) |
| **Total comprehensive income for the period** | **2,418,095** | 2,093,700 |
| Attributable to: | | |
| Owners of the Company | **2,344,304** | 2,042,978 |
| Non-controlling interests | **73,791** | 50,722 |
| | **2,418,095** | 2,093,700 |

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
*at 30 June 2026 — unaudited*
*(Expressed in RMB)*

| | Notes | At 30 June 2026 RMB'000 | At 31 December 2025 RMB'000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | | **17,207,373** | 18,118,859 |
| Construction in progress | | **2,414,630** | 2,669,142 |
| Investment properties | | **20,201** | 20,617 |
| Right-of-use assets | | **2,062,443** | 2,123,656 |
| Goodwill | | **7,642,277** | 7,661,426 |
| Other intangible assets | | **8,786,942** | 8,816,791 |
| Investments in associates | | **7,788,377** | 8,700,824 |
| Deferred tax assets | | **1,001,822** | 719,644 |
| Other financial assets | | **17,740,063** | 11,854,556 |
| Long-term prepayments | | **1,223,327** | 1,124,989 |
| **Total non-current assets** | | **65,887,455** | 61,810,504 |
| **Current assets** | | | |
| Other financial assets | | **8,743,997** | 11,488,899 |
| Derivative financial instruments | | **24,978** | 78,215 |
| Inventories | | **4,152,123** | 4,798,508 |
| Trade and bills receivables | *11* | **3,748,687** | 2,429,187 |
| Prepayments, other receivables and other assets | | **1,729,217** | 2,540,514 |
| Pledged deposits | | **116,935** | 177,968 |
| Cash and bank balances | | **17,232,520** | 13,254,542 |
| **Total current assets** | | **35,748,457** | 34,767,833 |

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** *(continued)*
*at 30 June 2026 — unaudited*
*(Expressed in RMB)*

| | Notes | At 30 June 2026 RMB'000 | At 31 December 2025 RMB'000 |
|---|---|---|---|
| **Current liabilities** | | | |
| Trade and bills payables | *12* | **8,964,399** | 7,920,006 |
| Other payables and accruals | | **10,750,293** | 12,425,138 |
| Interest-bearing bank and other borrowings | | **20,387,338** | 13,874,111 |
| Derivative financial instruments | | **9,855** | 1,957 |
| Income tax payable | | **606,278** | 356,815 |
| Other financial liabilities | | **123,733** | 49,031 |
| **Total current liabilities** | | **40,841,896** | 34,627,058 |
| **Net current (liabilities)/assets** | | **(5,093,439)** | 140,775 |
| **Total assets less current liabilities** | | **60,794,016** | 61,951,279 |
| **Non-current liabilities** | | | |
| Interest-bearing bank and other borrowings | | **10,335,430** | 11,514,625 |
| Deferred income | | **867,534** | 810,736 |
| Deferred tax liabilities | | **2,266,917** | 2,444,334 |
| **Total non-current liabilities** | | **13,469,881** | 14,769,695 |
| **NET ASSETS** | | **47,324,135** | 47,181,584 |

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** *(continued)*
*at 30 June 2026 — unaudited*
*(Expressed in RMB)*

| | At 30 June 2026 *RMB'000* | At 31 December 2025 *RMB'000* |
|---|---|---|
| **EQUITY** | | |
| Equity attributable to owners of the Company | | |
| Share capital | **352,791** | 353,002 |
| Shares held under share award scheme | **(77,251)** | (82,677) |
| Treasury shares | **(66,761)** | — |
| Other reserves | **7,414,560** | 7,567,966 |
| Retained earnings | **33,036,692** | 32,680,570 |
| | **40,660,031** | 40,518,861 |
| Non-controlling interests | **6,664,104** | 6,662,723 |
| **TOTAL EQUITY** | **47,324,135** | 47,181,584 |

## NOTES

*(Expressed in RMB unless otherwise indicated)*

### 1 BASIS OF PREPARATION

This interim financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard ("IAS") 34, *Interim financial reporting*, issued by the International Accounting Standards Board ("IASB"), and Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 26 August 2026.

The interim financial information has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in Note 2.

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

This interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual financial statements. The condensed consolidated interim financial statements and the accompanying notes do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards and HKFRS Accounting Standards. The interim financial information is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA.

The financial information relating to the financial year ended 31 December 2025 that is included in the interim financial information as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year, but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2025 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 25 March 2026.

As at 30 June 2026, the Group's current liabilities exceeded its current assets by RMB5,093,439,000. Notwithstanding the above, considering the performance and cashflow forecast for the twelve months ending 30 June 2027 prepared by management of the Group, the directors of the Group are of the opinion that the Group has sufficient financial resources to continue as a going concern for the next twelve months. Therefore, the directors of the Group are satisfied that it is appropriate to prepare the interim financial report on a going concern basis.

## 2 CHANGES IN ACCOUNTING POLICIES

The IASB has issued a number of amendments to IFRS Accounting Standards that are first effective for the current accounting period. None of these developments have had a material effect on these financial statements.

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

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

## 3 OPERATING SEGMENT INFORMATION

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

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

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

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

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

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

## 3 OPERATING SEGMENT INFORMATION *(continued)*

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

**Six months ended 30 June 2026**

| | Liquid milk business *RMB'000* | Ice cream business *RMB'000* | Milk formula business *RMB'000* | Cheese business *RMB'000* | Others *RMB'000* | Total *RMB'000* |
|---|---|---|---|---|---|---|
| **Segment revenue *(Note 4)*:** | | | | | | |
| Sales to external customers | 33,865,388 | 4,207,072 | 2,057,609 | 3,148,320 | 1,516,543 | 44,794,932 |
| Intersegment sales | 738,402 | 16,863 | 36,942 | 14,944 | 188,412 | 995,563 |
| | 34,603,790 | 4,223,935 | 2,094,551 | 3,163,264 | 1,704,955 | 45,790,495 |
| *Reconciliation:* | | | | | | |
| Elimination of intersegment sales | | | | | | (995,563) |
| Revenue | | | | | | 44,794,932 |
| **Segment results** | 2,562,091 | 726,895 | 216,531 | 226,826 | (163,778) | 3,568,565 |
| *Reconciliation:* | | | | | | |
| Interest income | | | | | | 502,772 |
| Finance costs (other than interest on lease liabilities) | | | | | | (448,847) |
| Share of results of associates | | | | | | 40,139 |
| Corporate and other unallocated loss | | | | | | (12,511) |
| Profit before tax | | | | | | 3,650,118 |
| Income tax expense | | | | | | (1,149,357) |
| Profit for the period | | | | | | 2,500,761 |
| **At 30 June 2026** | | | | | | |
| **Segment assets** | 53,063,371 | 7,671,620 | 11,127,287 | 18,002,507 | 2,346,821 | 92,211,606 |
| *Reconciliation:* | | | | | | |
| Elimination of intersegment receivables | | | | | | (31,967,028) |
| Corporate and other unallocated assets | | | | | | 33,602,957 |
| Investments in associates | | | | | | 7,788,377 |
| Total assets | | | | | | 101,635,912 |
| **Segment liabilities** | 31,445,941 | 4,320,637 | 5,434,351 | 5,816,278 | 2,195,465 | 49,212,672 |
| *Reconciliation:* | | | | | | |
| Elimination of intersegment payables | | | | | | (31,967,028) |
| Corporate and other unallocated liabilities | | | | | | 37,066,133 |
| Total liabilities | | | | | | 54,311,777 |

## 3 OPERATING SEGMENT INFORMATION *(continued)*

### Six months ended 30 June 2025

| | Liquid milk business *RMB'000* | Ice cream business *RMB'000* | Milk formula business *RMB'000* | Cheese business *RMB'000* | Others *RMB'000* | Total *RMB'000* |
|---|---|---|---|---|---|---|
| **Segment revenue *(Note 4)*:** | | | | | | |
| Sales to external customers | 32,191,710 | 3,878,512 | 1,675,575 | 2,373,926 | 1,447,437 | 41,567,160 |
| Intersegment sales | 630,535 | 16,761 | 89,207 | 3,767 | 176,988 | 917,258 |
| | 32,822,245 | 3,895,273 | 1,764,782 | 2,377,693 | 1,624,425 | 42,484,418 |
| *Reconciliation:* | | | | | | |
| Elimination of intersegment sales | | | | | | (917,258) |
| Revenue | | | | | | 41,567,160 |
| **Segment results** | 2,640,480 | 614,714 | 99,637 | 229,144 | (133,561) | 3,450,414 |
| *Reconciliation:* | | | | | | |
| Interest income | | | | | | 539,957 |
| Finance costs (other than interest on lease liabilities) | | | | | | (581,292) |
| Share of results of associates | | | | | | (585,078) |
| Corporate and other unallocated income | | | | | | 14,440 |
| Profit before tax | | | | | | 2,838,441 |
| Income tax expense | | | | | | (684,459) |
| Profit for the period | | | | | | 2,153,982 |
| **At 31 December 2025** | | | | | | |
| **Segment assets** | 46,899,702 | 7,311,844 | 11,034,871 | 17,178,706 | 2,375,726 | 84,800,849 |
| *Reconciliation:* | | | | | | |
| Elimination of intersegment receivables | | | | | | (37,631,230) |
| Corporate and other unallocated assets | | | | | | 40,707,894 |
| Investments in associates | | | | | | 8,700,824 |
| Total assets | | | | | | 96,578,337 |
| **Segment liabilities** | 24,036,998 | 4,494,461 | 5,568,354 | 5,269,986 | 2,083,866 | 41,453,665 |
| *Reconciliation:* | | | | | | |
| Elimination of intersegment payables | | | | | | (37,631,230) |
| Corporate and other unallocated liabilities | | | | | | 45,574,318 |
| Total liabilities | | | | | | 49,396,753 |

## 4 REVENUE

An analyses of the revenue are as follows:

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| Revenue from contracts with customers: | | |
| Sale of goods | **44,793,101** | 41,543,969 |
| Consignment processing services | **1,831** | 23,191 |
| | **44,794,932** | 41,567,160 |

## 5 OTHER INCOME AND GAINS

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| Government grants | **165,273** | 144,296 |
| Foreign exchange gain, net | **—** | 47,787 |
| Gross rental income | **8,981** | 7,735 |
| Net fair value gain on forward currency contracts | **9,018** | — |
| Net fair value gain on listed equity investment at fair value through profit or loss | **—** | 4,521 |
| Others | **130,977** | 197,375 |
| | **314,249** | 401,714 |

## 6 OTHER EXPENSES

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| Educational surcharges, city construction tax, and other taxes | **278,003** | 252,386 |
| Write-down of inventories to net realisable value | **165,585** | 222,264 |
| Loss on partial disposal of equity interests in an associate | **85,135** | — |
| Impairment of property, plant and equipment | **57,684** | — |
| Impairment of construction in progress | **9,305** | — |
| Net fair value loss on exchangeable bonds | **—** | 23,186 |
| Donations | **11,363** | 18,183 |
| Net loss on disposal of property, plant and equipment | **—** | 11,764 |
| Foreign exchange loss, net | **10,635** | — |
| Others | **81,680** | 40,324 |
| | **699,390** | 568,107 |

## 7 PROFIT BEFORE TAX

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

| | Notes | Six months ended 30 June **2026** *RMB'000* | 2025 *RMB'000* |
|---|---|---|---|
| Cost of inventories sold | | **26,535,410** | 24,183,915 |
| Cost of consigned processing services | | **1,667** | 30,931 |
| Impairment loss on trade receivables and other financial assets (reversed)/recognised, net | | **(6,523)** | 115,374 |
| Impairment of property, plant and equipment | | **57,684** | — |
| Impairment of construction in progress | | **9,305** | — |
| Depreciation of property, plant and equipment | | **1,340,335** | 1,449,449 |
| Depreciation of right-of-use assets | | **129,240** | 170,344 |
| Depreciation of investment properties | | **416** | 1,191 |
| Amortisation of other intangible assets | | **64,486** | 69,122 |
| Outsourcing expenses | *(a)* | **119,652** | 74,991 |
| Other rental expenses | | **279,834** | 239,174 |
| Employee benefit expense (including directors' and senior executives' emoluments) | *(b)* | **4,038,315** | 3,923,919 |

*Notes:*

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

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

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

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

## 8 INCOME TAX EXPENSE

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

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| **Current income tax** | | |
| Current income tax charge | **1,127,301** | 892,583 |
| Adjustments in relation to prior years *(note (vii))* | **319,899** | (1,052) |
| **Deferred income tax** | | |
| Relating to origination and reversal of tax losses and temporary differences | **(297,843)** | (207,072) |
| | **1,149,357** | 684,459 |

*Notes:*

(i) The provision for the income tax is based on the statutory rate of 25% (2025: 25%) on the estimated taxable profits determined in accordance with the Law of the People's Republic of China on Corporate Income Tax ("PRC CIT Law"), except for certain subsidiaries of the Group which enjoy a preferential tax rate according to related tax policies or certain subsidiaries in other jurisdictions. Certain subsidiaries of the Company are entitled to the preferential tax rate of 15% (2025: 15%), and certain research and development expenses of these companies are qualified for 100% (2025: 100%) additional deduction for tax purpose.

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

(iii) The provision for Hong Kong Profits Tax is calculated by applying at 16.5% (2025: 16.5%) of the estimated assessable profits for the six months ended 30 June 2026.

(iv) The provision for Australia and Indonesia Profit Tax is calculated by applying at 30% and 22%, respectively (2025: 30% and 22%, respectively), of the estimated assessable profits for the six months ended 30 June 2026.

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

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

(vii) During the six months ended 30 June 2026, the Group made the income tax adjustment payment amounting to RMB319,899,000 in compliance with the relevant requirements of PRC CIT Law.

## 8 INCOME TAX EXPENSE *(continued)*

### (b) Pillar Two income tax

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

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

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

The Group has applied the temporary mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes and accounted for the tax as current tax when incurred. No Pillar Two income tax was recognised during the six months ended 30 June 2026.

Other jurisdictions in which the Group operates are in the process of implementing their Pillar Two income tax legislation. The Group is in the process of making a continuous assessment of what the impact of Pillar Two model is expected to be on the income taxes in those jurisdictions.

## 9 DIVIDENDS

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

The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

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

| | **Six months ended 30 June** | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| Final dividend in respect of the previous financial year of RMB0.520 (the corresponding period in 2025: RMB0.509) per ordinary share | **2,015,542** | 1,991,229 |

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

### (a) Basic earnings per share

The basic earnings per share amounts for the period is calculated by dividing the profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the six months ended 30 June 2026.

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

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **Number of shares** | Number of shares |
| | ***(in thousand)*** | *(in thousand)* |
| Issued ordinary shares at 1 January | **3,878,903** | 3,919,105 |
| Effect of shares purchased | **(5,893)** | (8,119) |
| Weighted average number of ordinary shares for the purpose of the basic earnings per share calculation | **3,873,010** | 3,910,986 |

### (b) Diluted earnings per share

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

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

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **Number of shares** | Number of shares |
| | ***(in thousand)*** | *(in thousand)* |
| Weighted average number of ordinary shares for the purpose of the basic earnings per share calculation | **3,873,010** | 3,910,986 |
| Effect of dilution — Weighted average number of ordinary shares: | | |
| Share awards | **3,050** | 830 |
| Weighted average number of ordinary shares for the purpose of the diluted earnings per share calculation | **3,876,060** | 3,911,816 |

## 11 TRADE AND BILLS RECEIVABLES

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

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

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

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

| | **At 30 June 2026** *RMB'000* | At 31 December 2025 *RMB'000* |
|---|---|---|
| Less than 1 year | **3,661,237** | 2,344,182 |
| 1 to 2 years | **75,248** | 76,803 |
| 2 to 3 years | **9,182** | 5,087 |
| Over 3 years | **3,020** | 3,115 |
| | **3,748,687** | 2,429,187 |

## 12 TRADE AND BILLS PAYABLES

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

| | **At 30 June 2026** *RMB'000* | At 31 December 2025 *RMB'000* |
|---|---|---|
| Within 3 months | **7,993,617** | 7,023,383 |
| 4 to 6 months | **913,983** | 834,894 |
| 7 to 12 months | **31,293** | 28,581 |
| Over 1 year | **25,506** | 33,148 |
| | **8,964,399** | 7,920,006 |

## MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

In the first half of 2026, China's dairy industry was characterised by "stabilised milk prices, stabilised consumption, and upgraded product structure," as the sector largely completed a phased bottoming-out and continued to improve the quality of its development. On the supply side, the raw milk supply-demand relationship gradually moved toward equilibrium, and raw milk prices stabilised. On the demand side, overall dairy consumption remained stable, while demand continued to shift towards higher-quality, functional and more precisely targeted nutritional products, creating ongoing opportunities for structural upgrade. At the policy level, the 15th Five-Year Plan period got off to a strong start. The 15th Five-Year Plan for Accelerating Agricultural and Rural Modernisation (加快農業農村現代化「十五五」規劃) explicitly called for enhancing the competitiveness of the dairy industry; the 15th Five-Year Plan for Expanding Consumption (擴大消費「十五五」規劃) emphasised the need to foster new consumption formats, models and scenarios. Special campaigns to boost consumption were also implemented in depth. The No.1 Central Document of 2026 further proposed consolidating the progress made in alleviating difficulties in the beef cattle and dairy cow sectors, while promoting supply-demand balance and healthy development, thereby providing sustained policy support for the high-quality development of the dairy industry. As industry competition shifts back towards value-based competition centred on product strength, brand power and industrial chain efficiency, enterprises with comprehensive industrial chain layouts and innovation capabilities are expected to see their competitive advantages further strengthened.

Facing a new environment and a new stage of industry development, Mengniu remained firmly committed to high-quality growth and continued to advance its "One Core, Two Wings" development strategy. Guided by its mission of promoting "Drink More, Drink Good and Drink Right", Mengniu has built a diversified product portfolio through a three-tier innovation system spanning basic nutrition, functional nutrition and medical nutrition. The Group continued to advance the R&D and commercialisation of foods for special medical purposes and infant formula products, while accelerating the development of deep-processed categories such as cheese, with the aim of fully unlocking the value of milk and continuously moving up to the high end of the dairy value chain. Driven by precise insight into consumer demand, proactive product innovation, omni-channel expansion and precise brand reach, all categories achieved growth in the first half, with overall business growth accelerating significantly, and the business structure demonstrating a clear trend towards diversification. In particular, the liquid milk business led the industry in growth rate, and the fresh milk, cheese, and milk formula (on a comparable basis) businesses all recorded year-on-year growth of over 30%. The "Two Wings" businesses continued to achieve product innovation and technological breakthroughs in nutrition and health as well as internationalisation, injecting fresh momentum into the Company's long-term development.

The staging of the 2026 Winter Olympics and the FIFA World Cup presented Mengniu with unprecedented marketing opportunities. The Company anchored its core strategy around "brand elevation, organisational synergy, and a closed-loop integration of brand efficiency". Leveraging the IP of two top-tier global sporting events, Mengniu adopted a synergistic mechanism under which the flagship brand built momentum while sub-brands drove execution. Across all six business segments, the Group aligned its entire brand and product portfolio with these premier sporting events. This enabled comprehensive synergy across brand momentum, consumer mindshare and retail-level sales activation, marking a strategic evolution from traffic-driven marketing to value-driven marketing, and from isolated points of exposure to deep, scenario-based engagement across all touchpoints. Across both marketing campaigns, Mengniu led the industry in social media buzz, user engagement and brand reputation, ranking first in social media influence during the period. This has laid a solid brand and operational foundation for the Group to continue capturing incremental growth and consolidating its industry-leading position in the second half of the year.

***Room Temperature Business***

In the first half of 2026, the room temperature liquid milk industry remained in an adjustment phase and faced overlapping challenges from "demand fragmentation, price pressure and channel restructuring". At the same time, consumer demand continued to upgrade towards higher quality, better value for money, precision nutrition and more diverse consumption experiences. Emerging channels such as membership warehouse stores, bulk snack retailers, content e-commerce and instant retail developed rapidly, creating structural opportunities for category transformation and upgrades. Guided by the three-tier strategic framework of "Drink More, Drink Good and Drink Right" and the five strategic directions of "affordable value-for-money, quality-oriented nutrition, street-style ready-to-drink, refreshing and light, and functional food and beverage", the room temperature liquid milk business unit continued to advance product innovation, brand building, channel cultivation and operational efficiency, to drive high-quality business growth.

During the reporting period, the Room Temperature Business Department continued to deepen its "Drink More" strategy, focusing on expanding the milk-drinking population and improving product accessibility. The Mengniu "Soft Milk" product, specifically targeting lactose-intolerant consumers, continued to broaden the milk-drinking population through differentiated positioning.

Under the "Drink Good" strategic direction, the Room Temperature Business Department continued to innovate and upgrade in terms of value perception, product strength and consumer experience. For *Milk Deluxe*, the Group further deepened its high-end quality positioning, with "Desert Organic Shajin Tohoi (沙金套海) Pure Milk" as a representative product, continuously cultivating the desert organic industrial chain and reinforcing its value leadership in high-end white milk. For basic white milk and *Selected Meadow* (精選牧場) products, the Group partnered with high-growth potential channels such as Pangdonglai and Walmart to create quality customised products through precise product-channel alignment. For flavoured milk, dairy beverages and room temperature yoghurt, Mengniu continued to enrich consumption scenarios. For breakfast milk, the Group launched the "Morning 8 Refreshing Bottle (早八青醒瓶)", pioneering fruit-and-vegetable granule milk to meet consumer demand for convenient, refreshing and chewy breakfast options. For *Fruit Milk Drink*, Mengniu introduced new products such as the "Exploding Granules (爆粒)" series and freshly squeezed coconut milk, while for *Just Yoghurt*, the Group expanded into leisure snack and other consumption scenarios through innovative stand-up pouch products, offering a more diverse range of formats.

Under the "functional food and beverage" strategic direction, the Room Temperature Business Department continued to cultivate new growth drivers under the "Drink Right" strategy, with product innovation centred on segmented functional needs and specific consumer groups. The *Milk Deluxe* Hi-MILK series continued to validate the development potential of the functional nutrition segment. M-PLUS strengthened its appeal among sports enthusiasts with its native high-protein products, while Mengniu actively positioned milk calcium electrolyte water and whey protein isolate water in the emerging sports and fitness nutrition segment. Meanwhile, for *Just Yoghurt*, the Group launched the functional PET "BUFF" series, and for *Fruit Milk Drink*, Mengniu introduced new products such as "One Good Fruit (一顆好果子)", continuously enriching its functional product portfolio and expanding consumption scenarios.

In terms of brand building, the Room Temperature Business Department carried out integrated omni-channel marketing campaigns by leveraging the two top-tier sports IPs of the Milano Winter Olympics and the USA-Canada-Mexico FIFA World Cup. During the World Cup, *Mengniu* rolled out an omni-channel marketing initiative around the theme "No matter who wins, come to Mengniu (無論誰贏球，都來找蒙牛)", reinforcing its brand influence through event-related resources. Sub-brands such as *Milk Deluxe*, Mengniu "Soft Milk", *Just Yoghurt* and *Fruit Milk Drink* promoted their products across viewing-party, sports nutrition and family consumption scenarios, further enhancing consumer brand interaction and driving conversions across brand awareness, performance and sales.

In terms of channels, the Room Temperature Business Department responded to the trend of channel convergence by continuously optimising its RTM (route-to-market) channel structure and strengthening point-of-sale sell-through and operational efficiency. For traditional channels, it focused on core retail outlets, innovatively advanced the "Mengniu Store Renovation (蒙改店)" project, shifted from passive shelf display to active "product-selling", driving both per-store sales and retail-level profitability. It also actively capitalised on high-potential channels such as membership warehouse stores, leisure snack retailers, content e-commerce and instant retail, deepened cooperation with leading retail systems, promoted customised product development and differentiated supply, accelerated product placement and retail-level coverage, and expanded incremental growth opportunities.

***Chilled Product Business***

*Mengniu* Yoghurt has set an industry benchmark for quality value with its "World-Class Quality, 5A Standard", leading the trend toward cleaner formulations and overall product quality upgrades. Leveraging the two major IPs of the Winter Olympics and the World Cup, the brand drove high-quality business development through the dual engines of quality upgrades and brand building.

*Champion* has launched a new "Jianzihao Immunity Boost" product, reinforcing its brand positioning as a specialist in probiotic yoghurt research. Leveraging its partnership with brand endorser Sun Yingsha, the brand continues to deepen communication of its core value proposition to younger consumer segments, driving strong business growth. For the brand *YO! FINE DIARY*, Mengniu has rolled out a series of new high-protein products, further premiumising its user base, while capitalising on the advantages of online and instant-delivery channels to expand sales volume. *Yoyi C* has committed to its brand positioning of "probiotics suitable for Chinese people". All *Yoyi C* products are formulated with 99.9% high-activity probiotics, with consumer trust in their functional efficacy continuously reinforced through national health food certification (Jianzihao). Simultaneously, the brand has been building an ESG system that integrates environmental protection, public welfare and inclusive health, aiming to enhance both commercial and social value.

In terms of channels, the division accelerated the transformation of its RTM model, strengthened channel management through digital and intelligent tools, enhanced customer service capabilities, and improved efficiency in store coverage and consumer reach. It has also built an omni-channel marketing capability, driving improvements in store efficiency and consumer operations efficiency. Seizing opportunities in momentum channels, businesses including membership stores, snack retail, vertical fresh food, instant retail and B2B segments maintained rapid growth. During the reporting period, a number of channel-customised products ranked among the top positions in leading retail systems, while the channel and product structure continued to be optimised.

***Fresh Milk Business***

In the first half of 2026, the Fresh Milk Business Department continued to outpace industry growth, gaining significant market share and further closing the gap with the market leader. As online and offline distribution channels continued to diverge across the fresh milk industry, Mengniu capitalised on channel transformation opportunities, with revenue performance significantly outperforming the industry. Meanwhile, brand power and channel distribution capabilities continued to strengthen.

The premium brand *Shiny Meadow* maintained strong growth momentum, further deepening its "seven benchmarks across the entire chain and all dimensions (全鏈全維七大標桿)" quality system and consolidating its benchmark position in the high-end fresh milk market. During the year, the brand adopted a dual-endorser strategy for the first time, driving brand exposure and sales growth by leveraging two world-class IP events, the Milano Winter Olympics and the FIFA World Cup. Mengniu's fresh milk penetration rate and social media index remained No.1 in the industry. In the second quarter, *Shiny Meadow* focused on World Cup resources, capitalising on the peak season for fresh milk to boost brand visibility and sales volume. It launched the World Cup-themed "Legendary Number Bottle (傳奇號碼瓶)" product and introduced On-cloud Organic Fresh Milk, with sales of the series achieving high growth. The sub-brand *Xiaoxianyu* continued to deepen engagement with younger consumers. Its fresh milk products co-developed with membership stores, including pineapple-flavoured and honeydew-flavoured milk, were well received by consumers. On-cloud Organic Fresh Milk, recognised for its superior quality, won the World Food Innovation Award and a Special Gold Award at Monde Selection.

The Fresh Milk Business Department continued to deepen its omni-channel capabilities. On the offline side, the number of retail outlets continued to increase, and optimised retail displays drove steady growth in per-store sales. Membership store channels achieved outstanding performance, with system partnerships deepening and customised products fuelling rapid sales growth. The snack leisure retail channel also achieved breakthrough growth. On the online side, the brand maintained the No.1 market share on JD.com, while instant retail and interest-driven e-commerce grew rapidly. The subscription channel expanded effectively across multiple regional markets, and the Hong Kong and Macau markets also grew rapidly, with further gains in market share. In the B2B business, the Fresh Milk Business Department established deep partnerships with emerging coffee and tea beverage brands, and brand influence steadily strengthened.

On the supply chain management side, the Fresh Milk Business Department continued to drive digital and intelligent development, advancing digital and intelligent transformation through four major projects: operations platform, OE digital data collection, MES and smart energy. Operational efficiency improved, with capacity utilisation, cold chain digitalisation coverage and product traceability efficiency steadily increasing. On the logistics side, leveraging an intermodal transport network comprising multiple factory warehouses and low-temperature warehouses, the Fresh Milk Business Department continuously enhanced channel fulfilment capabilities, comprehensively reinforcing the brand's core competitiveness.

***Ice Cream Business***

During the reporting period, the Ice Cream Business Department sustained its focus on product innovation, channel expansion and brand elevation. As the official ice cream of the 2026 FIFA World Cup, it made its debut at World Cup venues and mainstream supermarkets across 11 cities in the United States. During the World Cup, domestic consumers were able to enjoy the same ice cream served at the US venues, achieving coordinated growth in brand presence, sales and operational performance both domestically and internationally. By leveraging the World Cup's global marketing platform and its omni-channel presence, the domestic ice cream business achieved year-on-year double-digit revenue growth during the period. New products contributed meaningfully to revenue, and operational quality continued to improve.

On the product front, Mengniu ice cream continued to drive innovation to meet the diverse needs of consumers across different consumption scenarios, with new product contributions reaching a record high and a new generation of flagship products taking shape. Mengniu continued to deepen its presence in the high-quality milk ice cream segment, focusing on the brand proposition "Mengniu Ice Cream, Spreading Happiness in China". Its core products, "Mengniu Pure! Milk Ice Cream (蒙牛純！牛奶味冰淇淋)" and the viral "Milk Skin Yoghurt Flavour Ice Cream Bar (奶皮子酸奶味雪糕)" delivered outstanding sales performance. *Suibian* continued to strengthen its position in the chocolate ice cream segment. Its new product "Choco Grand Slam (巧巧滿貫)" became a key product in its first year on the market, further reinforcing the brand's youth appeal and emotional appeal. *Mood for Green* reinforced its commitment to its brand proposition of "A Bite of Nature (一口大自然)", innovating around health and light wellness trends. New launches included "Light Enjoy Fruit & Vegetable Ice Cream (輕享果蔬冰淇淋)" and "Hongshasha Ice Cream Bar (紅莎莎雪糕)". *Ice+* focused on younger consumers, introducing a new category product, the "Sea Salt Lemon Flavour Ice Cup (海鹽檸檬風味冰杯)". The premium brand *Deluxe* reinforced its brand positioning of "The Purer, The Tastier" and launched a gelato series. It continued to lead the premium healthy ice cream market with its Desert Organic Fresh Milk Ice Cream (沙漠有機鮮牛乳冰淇淋).

In terms of channel development, the division continued to deepen its omni-channel presence, consolidating its traditional channel base and equipping frontline operations with digital platforms to improve retail coverage and operational efficiency. It accelerated expansion into membership stores, bulk snack retailers, fresh food e-commerce, instant retail and interest-driven e-commerce. This drove rapid growth in new retail and new consumption scenarios. The division successfully entered strategic retail systems including Sam's Club, Costco and Pangdonglai, further broadening its room for growth. In parallel, it expanded B2B customisation and freshly prepared product services, strengthening its omni-channel and full-market presence.

Aice, the Group's overseas ice cream business, continued to drive market expansion and business breakthroughs. Through a brand portfolio covering diverse consumer groups, *Aice* established itself as a household brand across Southeast Asia, with new brand development showing initial success, despite the challenges from rising raw material and operational costs in the first half of the year. Leveraging continuous product innovation, a diversified brand portfolio and omni-channel capabilities, the business achieved steady growth. In Indonesia, *Aice* drove high growth across all channels through its multi-brand strategy and product innovation. Its "Aice Got You! Panggung Crispymu" campaign became a nationwide talent show sensation, deepening consumer engagement. In other markets, the business leveraged the World Cup as a powerful marketing platform to further enhance brand awareness. According to third-party data, *Aice* firmly held the No.1 market share in the Indonesian ice cream market, ranked second in the ready-to-eat ice cream market in the Philippines, and rose to second place in the Vietnamese ice cream market, while actively expanding its presence in other countries and regions.

***Cheese Business***

In the first half of 2026, the cheese industry continued its steady recovery. Consumption scenarios expanded from children's nutrition into all-age family consumption, and accelerated into diverse application areas including Western fast food, baking, tea and coffee, industrial applications and Chinese cuisine. Market share consolidated faster toward leading companies with strong product, brand and supply chain capabilities.

Milkground achieved a year-on-year revenue increase of 28.7%. Quarterly sales revenue in 2026 has remained at elevated levels since the fourth quarter of 2025, with the second quarter reaching a new all-time high in revenue. This performance was driven by continued focus on four key areas: product innovation, brand leadership, channel transformation and management efficiency, while deepening its dual growth engine driving both B2C and B2B segments. According to data from Worldpanel by Numerator, Milkground maintained the No.1 overall market share in packaged cheese products in the first half of 2026. Its market share in Cheese Lollipops steadily increased, maintaining an undisputed leadership position. Core products including mozzarella, cheese slices and Cheese Mini Triangles all ranked first in their respective sub-categories, with cheese slices overtaking foreign brands in market share. This further consolidated the Company's competitive advantage as a full-category leader.

In terms of product innovation, the Company continued to expand its cheese products from children's nutrition to all-age-group nutrition, guided by a consumer-oriented approach. On the B2C side, the Company continued to upgrade its classic Cheese Lollipops range and has iterated the flavours of its Cheese Mini Triangles, while simultaneously launching innovative products including Jiejiegao Liquid Cheese Calcium, and Growth Cheese Milk. Meanwhile, it has overcome key technological challenges in cheese slices and launched China's first ambient versatile cheese slice that requires no cold-chain storage. Sales of mozzarella and milk fat continued to grow steadily, further expanding consumption scenarios for younger consumers and family households. On the B2B side, leveraging the strengths of Milkground Professional Cheese and Arla Professional Dairy, the Company focused on core customers across Western fast food, baking, tea and coffee, industrial and Chinese cuisine. It continued to advance products including natural mozzarella, New National Standard cream, providing professional dairy solutions and accelerating domestic substitution of deep-processed dairy products.

In terms of brand building and channel development, leveraging the 2026 FIFA World Cup, the Company continued to enhance consumer awareness of the deep integration between its international brand image and sports scenarios, while enhancing consumer awareness of the cheese category. The Company continued to advance its omni-channel presence by actively expanding into emerging channels such as bulk snack retailers, membership warehouse clubs, content e-commerce and instant retail, while also strengthening its foodservice and industrial channel expansion. Through the synergistic integration of product, brand and supply chain capabilities, the Company is driving the high-quality development of its cheese business.

***Milk Formula Business***

In the first half of 2026, the milk formula industry continued to evolve toward functionalisation, precision nutrition and premiumisation. Consumers' focus on refined feeding practices and functional formulations continued to grow, further highlighting the advantages of R&D-driven brands, even as the infant formula sector navigated declining birth rates. The adult milk powder market benefited from population ageing and upgraded health needs, with demand for functional nutrition sub-segments growing steadily. In line with these industry trends, Mengniu's Milk Formula Business remained focused on the nutritional and health needs of consumers across all age groups. Driven by brand leadership, R&D-led growth and an all-domain growth strategy, the business achieved robust growth in both revenue and profit during the reporting period.

In the domestic infant formula segment, *Reeborne* enhanced product competitiveness and brand influence through scientific innovation and brand marketing. On the R&D side, the Company pioneered the launch of organic maternal-source MLCT+ organic novel OPO infant formula and self-developed 7A active lactoferrin products. Multiple scientific validation results further confirmed the formula advantages, earning international accolades including the World Dairy Innovation Award and the World Food Innovation Award. During the reporting period, *Reeborne* launched two major upgraded new products: Chuai Niuniu and Chuai Niuniu Jingzhi. The former incorporates Mengniu's self-developed 7A active lactoferrin to create the DSE Golden Self-Protection Formula. The latter is the world's first desert organic A2 infant formula and the world's first organic maternal-source MLCT+ organic novel OPO infant formula, strengthening *Reeborne's* premium product portfolio. On the brand side, leveraging the World Cup marketing momentum, the Company launched the "Science for Growth, Cheers to This Cup (科學長肉捧這一杯)" campaign in collaboration with brand spokesperson Wei Chen, combining its proprietary national treasure IP assets to boost brand visibility and consumer awareness.

Continuing to focus on the nutritional needs of children's growth, the Children's Milk Powder Business launched *Huicongming* Smart Growth Student Milk Powder, featuring a premium nutritional formula with oat green extract to further expand the premium student milk powder market. It also introduced the Mengniu MLCT Children's Powder to meet children's nutritional needs during growth stages, leveraging the superior absorption properties of MLCT. Launched in July, MNHi188 Children's Milk Powder incorporates Mengniu's self-developed patented probiotic Hi188, covering functional needs including cognitive development, growth promotion and self-protection.

Focusing on the *Yourui* brand, Mengniu's adult milk powder business deepened its presence in the precision nutrition segment for middle-aged and elderly consumers, guided by the principle of "dedicated formula, precise nutrition". During the reporting period, *Yourui* strengthened its functional product portfolio in areas such as bone health and blood glucose management, reinforcing the formula advantages of core products including "Bone Premium Milk Formula" and the "Gold Edition Middle-Aged & Elderly" milk powder. It also launched the "Antang Shield" formula milk powder, which provides precise nutritional solutions for middle-aged and elderly consumers managing blood glucose levels through a patented botanical extract combination, a patented probiotic and a low-GI formula. On the brand side, the Company reached middle-aged and elderly consumers through gifting marketing, the CCTV square-dance IP "Let's Dance!" and science-based marketing campaigns, successfully establishing two flagship products: "Yourui Bone Premium Milk Formula" and "Yourui Multi-Nutrients High-Calcium Milk Powder for Middle-Aged and Elderly People". During the reporting period, revenue from middle-aged and elderly milk powder recorded strong growth. The overall adult milk powder market share increased significantly year-on-year, while the online market share for middle-aged and elderly milk powder firmly held the No.1 position.

Bellamy's Organic, the Group's overseas infant formula brand, achieved revenue growth of over 60% year-on-year in the first half of the year, with its major cross-border sales channels in China significantly outperforming the broader market. As the official milk powder sponsor of the 2026 FIFA World Cup, *Bellamy's* continued to enhance brand influence through traceability marketing and cross-industry collaborations. In core markets including Australia and China, the brand created premium landmark immersive experiences to strengthen consumer perception and recognition of organic quality. The ultra-premium product "Bellamy's Organic Blue Shield", formulated with high-purity lactoferrin and milk fat globule membrane (MFGM), catered to consumers' demand for refined nutrition and continued to gain sales momentum after launch, driving ongoing optimisation and upgrading of the product mix. International expansion accelerated, with channel networks rapidly penetrating across Southeast Asia.

**Innovative Business Layout**

As a core pillar of Mengniu's "One Core, Two Wings (一體兩翼)" strategy, the Group continued to deepen its presence through increased R&D investment in nutrition, health and biotechnology in the first half of 2026. Drawing on innovation platforms, the Group advanced frontier technology exploration and the commercialisation of research outcomes, accelerating development across professional nutrition, functional nutrition and advanced dairy processing. This injected technological momentum into the upgrading and high-quality development of the dairy industry chain.

In the first half of 2026, *Mengniu Milk Cube* (蒙牛奶立方) launched the professional dairy brand MnmpX, focusing on dairy raw materials and advanced dairy processing to drive the business toward branding and higher value-added directions. In the advanced processing segment, Milk Cube's core raw material product lines have now entered production. Three high-end raw materials, namely lactoferrin, membrane-fractionated casein and demineralised whey powder D90, achieved domestic mass production, effectively breaking reliance on imports. The self-developed lactoferrin won multiple authoritative industry awards, underscoring the Company's technological innovation capabilities. In the professional dairy field, Milk Cube continued to deepen product innovation, launching multiple new products including clean-label cream. Product quality was recognised by international competitions including the World Dairy Innovation Award, the World Food Innovation Award and the Superior Taste Award (國際美味獎).

The *M-ACTION* (邁勝) brand, positioned as "China's leader in professional sports nutrition," continued to refine its professional product portfolio across pre-workout, intra-workout, post-workout and daily nutritional supplementation scenarios, centred on three major product lines: liquid protein, sports performance nutrition and daily vitality nutrition. In the first half of 2026, *M-ACTION* maintained strong growth momentum, driven notably by its endurance sports products. Its product structure and business model became more focused, and its foundational consumer base among professional athletes continued to consolidate. During the reporting period, *M-ACTION* drove product innovation and iteration around sports scenarios such as marathons, trail running, triathlons and HYROX, enriching its product portfolio across energy replenishment, electrolyte supplementation, performance enhancement and post-workout recovery. It also expanded its daily nutrition product offerings, extending professional sports nutrition into broader health and lifestyle scenarios. On the channel side, with DTC as its core strategy, *M-ACTION* strengthened its presence on online platforms including Tmall, JD.com, Douyin and WeChat Mini Programs, while steadily expanding into membership-based retail, professional sports channels and offline distribution networks, continuously enhancing operational efficiency and scalable development capabilities.

Synaura Biotechnology (Shanghai) Co., Ltd., a Mengniu-incubated company, focuses on the independent development and commercialisation of Human Milk Oligosaccharides (HMOs) and has obtained regulatory approval for 2'-Fucosyllactose (2'-FL), Lacto-N-neotetraose (LNnT) and 3'-Sialyllactose sodium salt (3'-SL). It continues to advance scalable production and application expansion, providing technological support for the Group's presence in the professional nutrition sector. Synaura Biotechnology was recognised as a National High-Tech Enterprise. During the reporting period, Synaura Biotechnology won two gold awards in the 2026 World Food Innovation Awards: Best New Brand and Best Technology Innovation, making it the only ingredients company in the Asia-Pacific region to receive both gold awards in this year's selection.

**Quality Management**

In the first half of 2026, guided by the "One Core, Two Wings" strategy and centred on the "World-Class Quality through Lean Quality (世界品質之精益質量戰略)" strategy, Mengniu continued to strengthen its quality and safety management system. Focusing on "compliance, risk control and safety assurance", the Group aimed to elevate quality management capabilities and end-to-end quality assurance levels. It consistently reinforced the quality and safety foundation of its industrial chain, providing a solid guarantee for the Group's high-quality development.

During the reporting period, the Group co-drafted and published 14 standards, comprising 8 national standards, 3 industry standards and 3 association standards, leading the industry's high-quality development through standards expertise. The Group deepened the development of its next-generation Excellent Quality Management System (Q+ System), advancing process standardisation, business integration and digital implementation across seven transformation projects. This upgraded quality management from a standardised approach to a process-oriented and digitalised framework. At the same time, the Group drove the digitalisation of quality management by building the "Quality Pulse" information platform, strengthening the closed-loop integration of consumer insights and quality improvement. Through a unified quality cost accounting model, refined process management and end-to-end closed-loop control of raw material risks, the Group further enhanced quality operational efficiency and risk prevention capabilities.

On the system certification side, the Group continued to advance certification across six quality management systems: ISO9001, HACCP, GMP, FSSC22000, BRC and IFS, covering 60 factories with a 100% pass rate. It also promoted the development of ISO45001, ISO14001 and ISO50001 management systems to continuously elevate EHS management standards. On the quality culture side, the Group upheld its core value that "consumers are at the heart of all our decisions", deepening quality communication with consumers through events such as Consumer Day and Open Day plant manager receptions, with more than 30 factories nationwide opening their doors to the public.

**Milk Source Management**

In the first half of 2026, Mengniu continued to drive the optimisation and upgrading of its upstream raw milk supply system, guiding partner farms to adjust herd structures and milk production rhythms in line with changing market demand amid supply-demand restructuring in the dairy industry. It focused on enhancing productivity across the entire lifecycle of dairy cows and promoted coordinated development between upstream and downstream supply and demand, strengthening the resilience of the industrial chain. To ensure a consistent and premium raw milk supply, Mengniu continuously upgraded its raw milk quality management system. Under the Q+ System framework, it built an end-to-end quality control system covering key stages including forage cultivation, feed processing, dairy farming, raw milk production, storage and transportation, enabling refined quality management and proactive risk prevention to continuously safeguard premium raw milk supply.

On the farm efficiency side, Mengniu continued to advance digital and intelligent transformation alongside lean management. By enhancing its raw milk management system and expanding the use of IoT devices, Mengniu enabled partner farms to collect farming data intelligently and optimise management decisions, with system coverage and device adoption steadily increasing. To address partner farms' cost reduction and efficiency needs, Mengniu consolidated resources through centralised and joint procurement mechanisms to lower raw material purchasing costs. Combined with on-site expert services, feed formula optimisation and genetic improvement initiatives, Mengniu helped partner farms improve farming efficiency, optimise production costs and achieve sustainable business operations.

Mengniu remained committed to its "GREEN" sustainable development strategy, integrating green and low-carbon principles across the entire raw milk management process. In the first half of 2026, Mengniu actively encouraged partner farms to implement green projects including new energy adoption, clean energy utilisation, energy conservation, emission reduction and ecological protection. A total of 61 energy-saving and emission-reduction projects were implemented, expected to reduce carbon emissions by approximately 47,200 tonnes annually. At the same time, Mengniu continued to advance upstream water resource management, biodiversity conservation and animal welfare improvement, guiding the raw milk supply chain toward green, efficient and sustainable development.

**Enterprise Digital Transformation Strategy**

Mengniu continued to deepen its "Smart Manufacturing and Digital Transformation (智改數轉)" strategy. Guided by top-down enterprise architecture design and centred on core business processes including Integrated Supply Chain (ISC), Recruit-to-Retire (RTR), Lead-to-Cash (LTC), Market-to-Lead (MTL) and Integrated Product Development (IPD), Mengniu systematically advanced end-to-end process architecture development and digital-intelligent transformation, enabling data-driven decision-making and enhancing operational efficiency.

The benefits of digital transformation for business operations have become increasingly evident. In the supply chain domain, electronic procurement and bidding, along with the "One Product, One QR Code" traceability system, have been fully rolled out across the entire business. Multi-factory warehousing and smart manufacturing initiatives completed medium- and long-term planning and pilot project approvals, establishing initial digital control capabilities for supply chain management. In the channel and marketing domains, the retail service network achieved full coverage across all regions, with online sales order volumes through digital channels growing rapidly, effectively supporting channel operations and sales conversion. Following the launch of the intelligent customer service system, both quality inspection coverage and operational efficiency improved significantly. At the same time, the Group accelerated the integration of artificial intelligence (AI) with core business scenarios, deploying AI agents across multiple key business systems and scaling their application, laying a solid foundation for the Group's transition toward a platform-based and intelligent operating model.

## FINANCIAL REVIEW

### Revenue

In the first half of 2026, driven by proactive product innovation, omni-channel expansion and precise brand reach, the revenue of the Group amounted to RMB44,794.9 million (2025: RMB41,567.2 million), representing a year-on-year increase of 7.8%.

### Gross Profit

Due to the increase in revenue and product mix optimisation during the period, the Group's gross profit increased to RMB18,257.8 million (2025: RMB17,352.3 million). The gross profit margin was 40.8% (the first half of 2025: 41.7%), representing a year-on-year decrease of 0.9 percentage points. The full-year gross profit margin for 2025 was 39.9%. The gross profit margin during the period remained relatively stable compared to the full-year gross profit margin of the previous year, while the year-on-year decline was mainly attributable to: i) price adjustments the Group made for certain basic products in the second half of last year to cope with market competition; and ii) a significant increase in the costs of raw and auxiliary materials such as packaging materials, coconut oil, and protein powder during the period.

### Operating Expenses and Operating Profit

During the period, due to the increase in revenue and continuously enhanced efficiency in expenses spending, selling and distribution expenses increased by 6.4% to RMB12,362.4 million (2025: RMB11,614.3 million), accounting for 27.6% (2025: 27.9%) of the Group's revenue. Product and brand promotion expenses and marketing expenses increased by 11.1% to RMB4,981.5 million (2025: RMB4,482.2 million), accounting for 11.1% of the Group's revenue (2025: 10.8%), among which, product and brand promotion expenses remained stable year-on-year, while marketing expenses on emerging channels such as online and offline content e-commerce and instant retail increased significantly.

During the period, the administrative expenses decreased by 0.3% to RMB1,941.1 million (2025: RMB1,947.4 million), accounting for 4.3% (2025: 4.7%) of the Group's revenue. Educational surcharges, city construction tax and other taxes included in other expenses amounted to RMB278.0 million (2025: RMB252.4 million), representing a year-on-year increase of 10.1%.

Total business operating expenses, including selling and distribution expenses, administrative expenses and educational surcharges, city construction tax and other taxes, increased by 5.6% to RMB14,581.5 million (2025: RMB13,814.0 million), accounting for 32.6% of the Group's revenue (2025: 33.2%). Operating profit (gross profit less business operating expenses) amounted to RMB3,676.3 million (2025: RMB3,538.3 million), representing a year-on-year increase of 3.9%; operating profit margin was 8.2%, representing a year-on-year decrease of 0.3 percentage points compared with 2025 (operating profit margin: 8.5%).

**EBITDA and Net Profit**

During the period, due to the improved performance of the associates, the share of results of associates turned from a loss to a profit, the Group's earnings before interest, taxes, depreciation, and amortisation ("EBITDA") increased by 12.0% to RMB5,147.2 million (2025: RMB4,596.7 million), the EBITDA margin was 11.5% (2025: 11.1%), representing a year-on-year increase of 0.4 percentage points.

Profit attributable to owners of the Company also increased by 15.9% year-on-year to RMB2,371.5 million (2025: RMB2,045.5 million), and the basic earnings per share were RMB0.612 (2025: RMB0.523), representing a year-on-year increase of 17.0%.

**Income Tax Expense**

For the six months ended 30 June 2026, income tax expense of the Group totalled RMB1,149.4 million (2025: RMB684.5 million), representing an increase of 67.9% year-on-year. The effective income tax rate was 31.5% (2025: 24.1%), representing an increase of 7.4 percentage points year-on-year. The increase in the income tax was mainly because the Group made the income tax adjustment payment amounting to RMB319.9 million in accordance with the relevant national tax laws and regulations.

**Capital Expenditure**

For the six months ended 30 June 2026, the capital expenditure of the Group amounted to RMB492.8 million (2025: RMB1,010.4 million), representing a decrease of 51.2% year-on-year. Capital expenditure was spent on building new production facilities and modifying existing ones as well as related investments.

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

For the six months ended 30 June 2026, the Group recorded net cash inflow from operating activities of RMB2,493.4 million (2025: RMB2,806.1 million), representing a decrease of 11.1% as compared with the same period last year, which was mainly due to the increase in income tax expense during the period.

As of 30 June 2026, outstanding interest-bearing bank and other borrowings of the Group increased to RMB30,722.8 million (31 December 2025: RMB25,388.7 million), of which interest-bearing bank and other borrowings repayable within one year amounted to RMB20,387.3 million (31 December 2025: RMB13,874.1 million). More than 60% of the interest-bearing bank and other borrowings were bearing interest at fixed rates. The increase in interest-bearing bank and other borrowings was mainly due to short-term strategic financing and reserving for the repayment of foreign currency debts falling due, cash and cash at banks have increased accordingly.

Net borrowings (total amount of interest-bearing bank and other borrowings net of cash and cash at banks, except long-term time deposits in other financial assets) of the Group as of 30 June 2026 were RMB13,490.2 million (31 December 2025: RMB12,134.2 million).

The Group's total equity as of 30 June 2026 amounted to RMB47,324.1 million (31 December 2025: RMB47,181.6 million). Its debt-to-equity ratio (total amount of interest-bearing bank and other borrowings divided by total equity) was 64.9% (31 December 2025: 53.8%).

Finance costs of the Group were RMB465.4 million (2025: RMB608.1 million), or approximately 1.0% when expressed as a percentage of revenue (2025: 1.5%), representing a decrease of 0.5 percentage points year-on-year, which was mainly due to a decrease in loan interest rates.

## PRODUCTS

### Liquid Milk

Revenue was RMB33,865.4 million (2025: RMB32,191.7 million), accounting for 75.6% of Mengniu's total revenue (2025: 77.4%).

### UHT Milk

*Milk Deluxe* (特侖蘇) continued to lead the premium pure milk market, strengthening its premium organic brand advantage through Desert Organic Pure Milk. Desert Organic Shajin Tohoi Pure Milk reinforced the Ulan Buh Desert organic milk source and its sustainable ecological value. Milk Deluxe 4.0g Desert Organic Pure Milk highlighted high protein, high calcium and eco-friendly packaging. *Milk Deluxe* "Hi MILK" series expanded its product portfolio with functional products including lactose-free, calcium-iron-zinc and other variants.

During the period, the Company launched M-PLUS Mengniu "Soft Milk", targeting lactose-intolerant consumers, reinforcing its "lactose-free, easy-to-absorb" product positioning. The Daily Protein, developed using membrane separation technology, provides 15g of native protein and 450mg of high native calcium per 250ml serving, further meeting consumer demand for high protein, functional nutritional products.

Key Products:

*Milk Deluxe Desert Organic Shajin Tohoi Pure Milk*

*Milk Deluxe 4.0g Desert Organic Pure Milk*

*Milk Deluxe Hi MILK Series*

*Mengniu "Soft Milk"*

*Mengniu Breakfast Milk Series*

*M-PLUS Daily Protein*

**Room Temperature Yoghurt**

*Just Yoghurt* centres its efforts on quality, functionality and young consumer preferences, driving product innovation and consumption scenario expansion. New launches included popping boba yoghurt and green grape with Longjing tea flavours. The "Daily Probiotics Bottle (每日益瓶)" BUFF series, developed with proprietary patented probiotic strains and functional formulations, targeted the gut health and immune health segments. The stand-up pouch lineup, featuring assorted fruit flavours and low-sugar recipes, broadened its reach into leisure snacking and family consumption occasions.

Key Products:

*Just Yoghurt Popping Boba Yoghurt*

*Just Yoghurt Flavoured Yoghurt*

*Just Yoghurt PET Daily Probiotics Series*

*Just Yoghurt Stand-Up Pouch Series*

**Room Temperature Milk Beverage**

*Fruit Milk Drink* continued to expand its dairy beverage portfolio, launching the "One Good Fruit (一顆好果子)" series during the period to further highlight real fruit pulp content and diverse flavour offerings.

Mengniu proactively ventured into the sports nutrition space with the introduction of whey protein isolate water and milk calcium electrolyte drinks, further expanding consumption scenarios for functional beverages.

Key Products:

*Fruit Milk Drink "One Good Fruit (一顆好果子)"* series

*Fruit Milk Drink*

*Mengniu Whey Protein Isolate Water*

*Mengniu Milk Calcium Electrolyte Drink*

**Chilled Yoghurt**

*Champion* launched the "Super Vitality Jar" yoghurt with a three-dimensional concept of "Product + Emotion + Function". Capitalising on the World Cup IP and endorser-driven event momentum, Mengniu accelerated its push into breakfast occasions. *YO! FINE DIARY* deepened its Greek yoghurt range, launching a blueberry-chia flavour and expanding its sucrose-free family bucket range.

Key products:

*Mengniu Yoghurt: Original, Fruity, Fruit-Vegetable*

*YO! FINE DIARY: Greek Yoghurt 100g Original, 100g Blueberry-Chia Seed, 400g sucrose-free Family Buckets*

*Champion: Super Vitality Jar, Jianzihao Immunity Boost, Tetra Pak*

**Chilled Milk Beverage**

*Yoyi C* brand further broadened its product portfolio, launching Refreshing White Yoghurt Drink and functional products including "100 Billion Super Burn (1000億超速燃)" and "100 Billion Sugar Clear (1000億清糖舒)". Supported by its state-recognised health food certification (Jianzihao), the brand strengthened consumer confidence in its functional benefits, accurately addressing consumer demands.

Key products:

*Yoyi C Jianzihao*

*Yoyi C 100 Billion Super Burn*

*Yoyi C 100 Billion Sugar Clear*

**Fresh Milk**

*Shiny Meadow* (每日鮮語) continued to consolidate its position in the premium fresh milk market. During the reporting period, it further expanded its "On-cloud Organic Fresh Milk" product portfolio by introducing a 250 ml variant featuring 4.0g protein, A2 β-casein and organic milk sources to create a premium fresh milk experience. The product was recognised with the Best Natural Organic Product Recommendation Award at the World Food Innovation Awards and a Special Gold Award from Monde Selection.

Key Products:

*Shiny Meadow On-cloud Organic, 4.0, A2, Dual Protein*

*Xiaoxianyu Flavoured Milk*

*Mengniu Modern Meadow Farm-direct (Bucket & Gable-top), lactose-free*

**Ice Cream**

Revenue was RMB4,207.1 million (2025: RMB3,878.5 million), accounting for 9.4% of Mengniu's total revenue (2025: 9.3%).

The Ice Cream Business Department continued to focus on its high-quality milk ice cream positioning, driving product innovation around health, dessert and diversification trends. Key products including *Mengniu* Pure! Milk Ice Cream, Mini Cheese Ice Cream and Milk Skin Yoghurt Flavour Ice Cream Bar, met consumer demand for premium, distinctive frozen treats. *Suibian* deepened its presence in chocolate ice cream and waffle cones, strengthening its youthful brand positioning through rolling out new products including Choco Grand Slam, the *Suibian* Spin series, and the Cone series. *Mood for Green* continued to expand its health-focused direction, launching new products such as Light Enjoy Fruit & Vegetable Ice Cream and Hongshasha Ice Cream Bar, further consolidating its position as the national red bean paste popsicle brand.

Key Products:

*Mengniu*

*Suibian*

*Mood for Green*

*Ice+*

*Deluxe*

*Aice*

**Milk Formula**

Revenue was RMB2,057.6 million (2025: RMB1,675.6 million), accounting for 4.6% of Mengniu's total revenue (2025: 4.0%).

On the infant formula side, *Reeborne* continued to advance its premium product upgrades, launching two major upgraded products: Chuai Niuniu (初愛牛牛) and Chuai Niuniu Jingzhi (初愛牛牛菁至). Chuai Niuniu features an innovative DSE Golden Self-Protection Triangle Formula and pioneers the application of Mengniu's self-developed 7A active lactoferrin. Chuai Niuniu Jingzhi is the world's first desert organic A2 infant formula and the world's first organic maternal MLCT+ organic novel OPO formula, crafted from only 0.05% of select desert organic A2 milk sources, setting a new benchmark in organic self-protection formulations.

On the adult milk powder side, *Yourui* launched "Antang Shield" formula milk powder for blood glucose management among middle-aged and elderly consumers. Featuring a sucrose-free, low-GI formulation, it combines three patented botanical extract blends, two patented probiotic strains and dietary fibre to deliver a nutritional and health management solution. The product was named a finalist in the Health Innovation category at the World Dairy Innovation Awards.

Bellamy's ultra-premium product "Bellamy's Organic Blue Shield (有機藍盾)" features a dual-protection formula combining high-purity lactoferrin and milk fat globule membrane (MFGM), precisely addressing parents' combined needs for refined nutrition and enhanced protection.

Key Products:

*Reeborne*

*Bellamy's*

*Yourui*

**Cheese**

Revenue amounted to RMB3,148.3 million (2025: RMB2,373.9 million), accounting for 7.0% of Mengniu's total revenue (2025: 5.7%).

On the ready-to-eat nutritional cheese side, Milkground continued to expand its product portfolio, broadening consumption scenarios for diverse consumer groups including children, younger consumers and adults.

On the family table cheese side, Milkground strengthened its product portfolio for home-cooking occasions, using mozzarella and cheese slices to meet diverse culinary needs. On the foodservice and industrial cheese side, the Company delivered integrated solutions to professional customers through key products including natural mozzarella, whipping cream and butter, driving steady growth in its B2B business.

Key Products:

*Milkground Cheese Mini Triangles*

*Milkground Cheese Granules*

*Milkground Jiejiegao Liquid Cheese Calcium*

*Milkground Domestic Natural Mozzarella*

*Arla Mascarpone Cheese*

## PRODUCTION

Mengniu deploys its production capacity based on market potential and product strategy. As of 30 June 2026, Mengniu had 71 factories globally, of which 64 were within China and 7 were distributed in Oceania and Southeast Asia. Total annual production capacity was 14.02 million tonnes (31 December 2025: 13.94 million tonnes).

## SUSTAINABLE DEVELOPMENT

During the reporting period, the Group continued to advance its "GREEN" sustainable development strategy, remaining focused on its goals of achieving carbon peaking by 2030 and carbon neutrality across the entire value chain by 2050. The Group integrated sustainable governance, green and low-carbon practices, responsible supply chains, nutritional inclusiveness and philanthropic initiatives into its operations and management, consistently safeguarding the health of both people and the planet through the power of every drop of nutrition.

On the governance and disclosure side, between April and June 2026, the Group successively published its 2025 Sustainability Report, 2025 Climate-related Information Disclosure Report and Green Packaging Value Report, refining its "1+N" sustainability information disclosure framework. These reports align with the Hong Kong Stock Exchange's ESG Code and the sustainability disclosure standards jointly issued by the Ministry of Finance and eight other national authorities. The Group continued to strengthen its three-tier governance structure comprising the Board, the Executive Committee/Management and specialised working groups, deepening its focus on green packaging, responsible procurement and sustainable water management, while integrating sustainability KPIs into performance assessments and daily operations.

On the environmental management side, the Group drove value chain emissions reductions through its dual-carbon roadmap. In 2025, Mengniu's total Scope 1 and Scope 2 greenhouse gas emissions decreased by 5.78% compared to 2024, with carbon intensity per tonne of dairy products dropping to 162.11 kg $CO_2$e per tonne. The Group also completed carbon accounting for core Scope 3 categories. During the period, the Group added six new national-level green factories, bringing the cumulative total to 41 national-level green factories and 4 zero-carbon factories. The Group continued to advance sustainable water management, with 11 factories undergoing AWS water stewardship certification, 9 of which achieved AWS Gold-level certification.

On the green packaging side, the Group continued to drive transformation through its "4R1D" full-chain green packaging strategy. The Group fully phased out PVC and EPS packaging materials and reduced fossil-based virgin plastics usage by 4,804.12 tonnes through lightweighting and structural optimisation. Recyclable packaging materials now account for 98.65% of total packaging weight. A cumulative total of 21 product packaging designs have received easy-to-recycle and easy-to-regenerate certifications. The Group also promoted innovative green packaging applications, including PHA fully biodegradable straws, bio-based PE caps and zero-aluminium-foil low-carbon paper-based aseptic packaging.

On the social value side, the Group advanced nutritional empowerment, sports philanthropy and community care through its charitable foundation and brand-led initiatives. During the period, Mengniu responded to over ten emergency relief operations, supporting flood relief efforts in Guangxi, Hubei and Hunan. The Group continued to promote public welfare programmes including "Project Hope • Mengniu Youth Football Philanthropy Initiative (希望工程 • 蒙牛少年足球公益行)", the "Rural Principals Empowerment Program (鄉村校長賦能計劃)" and the "Hundred Cities, Thousand Schools Aerospace Science Education Program (百城千校航天科普進校園)". Drawing on the resources of the 2026 USA-Canada-Mexico World Cup, Mengniu supported youth football development by selecting six young flag-bearers from Inner Mongolia to participate in the World Cup opening ceremony.

In recognition of its sustainability practices, Mengniu was included in the S&P Global Sustainability Yearbook (Global Edition) for the first time, while also being featured in the China Edition for the third consecutive year. The Company was once again named to the Fortune China ESG Impact List and maintained its AA rating in the MSCI ESG assessment, underscoring recognition from capital markets and authoritative institutions for the Group's sustainability performance.

## HUMAN RESOURCES

As of 30 June 2026, the Group employed a total of over 38,000 (31 December 2025: 38,000) employees in the Chinese Mainland, Hong Kong, Oceania and Southeast Asia.

Mengniu remained committed to its “Born for Greatness” corporate gene, deepening internal governance through a “Relentless Evolution (要強進化)” approach and further advancing the implementation of its “One Core, Two Wings” strategy. Across four key dimensions — agile organisational iteration, precise talent empowerment, innovative incentive mechanisms and cohesive corporate culture, Mengniu continuously elevated its human resource management capabilities. In organisational governance, Mengniu strictly adhered to the principle of “business units taking the lead in operations while headquarters focus on building strategic capabilities (事業部主戰、總部主建)”, strengthening vertical governance and horizontal collaboration to build a flat, agile frontline organisation. Focusing on reinforcing organisational capabilities in four core areas — branding, R&D, channel management and digital intelligence — Mengniu systematically advanced seven major management transformation projects. Through lean operations across all employees, the entire value chain and all processes, Mengniu consistently improved quality, reduced costs and enhanced efficiency, unleashing organisational vitality and laying a solid foundation for management upgrades and stable development.

On the talent development side, Mengniu continuously refined its 6D full-cycle management system for leaders — Define standards, Diagnose capabilities, Deploy strong performers, Develop talent, Deliver through mobility and Discipline conduct — consistently building a high-quality, professional leadership team. Around the full career lifecycle of employees, Mengniu optimised a tiered and categorised precision training system, focusing on core business functions, frontline operations and high-potential young talent. Leveraging the national-level high-skilled talent training base for the dairy industry, dual qualifications in independent vocational skill level certification and independent professional title evaluation, and its position as a leading enterprise in the industry-education-evaluation-integration pilot, Mengniu deepened its integrated talent development model. This created a well-defined and continuous pipeline of highly skilled professionals, while also improving the full-cycle management mechanism for international talent to support its global expansion.

On the performance and compensation side, Mengniu was guided by the philosophy of “striving to create value, scientifically evaluating value and reasonably sharing value (全力創造價值、科學評價價值、合理分享價值)”. Through competitive compensation, differentiated performance management, diversified incentives and flexible benefits, Mengniu unleashed organisational vitality, enabling the Company and its employees to co-create and share value.

## PROSPECTS

Looking ahead to the second half of 2026, against the backdrop of continued policy support for "expanding domestic demand and boosting consumption", the macroeconomic environment and consumer spending are expected to maintain their stabilisation momentum. The supply-demand relationship for raw milk is gradually moving toward balance, industry price competition is likely to ease further, and competition will increasingly return to value-driven fundamentals. As consumer demand for nutritional and health benefits continues to upgrade, dairy consumption will shift towards higher quality, more precise nutrition and richer consumption scenarios. Companies with strengths in product innovation, brand power, channel capabilities and industrial chain synergy are well-positioned to further expand their competitive advantages.

Mengniu will consolidate the robust multi-category growth momentum achieved in the first half of the year. Guided by strategic execution and management upgrades, Mengniu will continue to advance its "One Core, Two Wings" strategy, supported by four core capabilities: brand leadership, R&D innovation, digital and intelligent transformation and channel upgrading. The Company will strengthen operational quality and efficiency and organisational capability building. Focusing on the mission of "Drink More, Drink Good and Drink Right", the Group will reinforce its foundational businesses across six key categories: room-temperature dairy, chilled products, fresh milk, ice products, milk powder and cheese, while deepening category structure optimisation and product innovation. Centring on basic nutrition, functional nutrition and precision nutrition, the Company will develop high-value products that meet diverse consumer needs. At the same time, the Company will continue to refine channel cultivation and upgrade business models, enhancing retail efficiency and consumer reach, deepening digital and intelligent transformation, and driving collaborative efficiency gains across the entire industrial chain to strengthen long-term competitiveness.

At this new stage of development, Mengniu will maintain a long-term perspective, continuing to deepen its presence in the nutrition and health sector. The Group will accelerate its transformation from a "traditional dairy manufacturer" to an "integrated nutrition and health solutions provider", delivering value across five dimensions: product value to meet consumers' lifelong nutritional and health needs, brand value to enhance consumer trust, channel value to expand growth opportunities, digital and intelligent value to boost operational efficiency, and sustainable value to foster collaborative development across the industry chain. In doing so, the Group will continuously create shared, long-term value for consumers, shareholders, partners and society, leading the high-quality development of the dairy industry.

## CORPORATE GOVERNANCE CODE

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

The Board has reviewed the Company's corporate governance practices and is satisfied that the Company has been in compliance with all applicable code provisions of the CG Code during the six months ended 30 June 2026.

## SECURITIES TRANSACTIONS OF DIRECTORS

The Company has adopted, in terms no less exacting than, the standards required by the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules as the Company's code of conduct and rules governing dealings by all Directors in the securities of the Company. The Directors have confirmed, following the specific enquiry by the Company, that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2026.

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

During the six months ended 30 June 2026, the Company repurchased on the open market a total of 7,410,000 shares of the Company at a total consideration (including transaction fee) of HK$122.1 million, of which 2,426,000 shares were cancelled during the six months ended 30 June 2026 and 4,984,000 shares have not yet been cancelled as at 30 June 2026, and were subsequently cancelled.

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

| **Month/year** | **Total number of shares repurchased** | **Highest price paid per share** *(HK$)* | **Lowest price paid per share** *(HK$)* | **Aggregate amount paid** *(HK$'000)* |
|---|---|---|---|---|
| April 2026 | 2,876,000 | 16.98 | 16.30 | 47,869 |
| May 2026 | 1,893,000 | 17.35 | 16.41 | 31,872 |
| June 2026 | 2,641,000 | 16.35 | 15.40 | 42,374 |
| | 7,410,000 | | | 122,115 |

Subsequent to the reporting period and up to the date of this announcement, the Company repurchased on the open market a total of 300,000 shares of the Company at a total consideration (including transaction fee) of HK$5,173,000. Such repurchased shares were subsequently cancelled.

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

| **Month/year** | **Total number of shares repurchased** | **Highest price paid per share** *(HK$)* | **Lowest price paid per share** *(HK$)* | **Aggregate amount paid** *(HK$'000)* |
|---|---|---|---|---|
| July 2026 | 300,000 | 18.00 | 16.74 | 5,173 |

The number of issued shares of the Company as at the date of this announcement is 3,871,192,513 shares.

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

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2026.

## AUDIT COMMITTEE

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

The Audit Committee has reviewed with the Company's management and the external auditors, the accounting principles and practices adopted by the Company and discussed auditing, risk management, internal control, whistleblowing policy and system and financial reporting matters, including the review of the Group's unaudited interim financial information for the six months ended 30 June 2026.

## SCOPE OF WORK OF KPMG

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

## PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

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

## BOARD OF DIRECTORS

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

During the reporting period, Mr. Meng Fanjie resigned as a non-executive Director. The Board would like to express its gratitude to Mr. Meng for his contribution to the Company during his tenure of service as a non-executive Director.

## APPRECIATION

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

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

Hong Kong, 26 August 2026