



MODERN FARMING
现代牧业

2025 INTERIM RESULTS



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Business Highlights

01

Two Rises: Optimisation in cash flow and herd structure

Operating cash flow surged against industry trend with increased portion of milkable cow

02

Two Highs: Significant improvement in raw milk production efficiency

Milk yield per cow and total milk production reached record high

03

Three Declines: Outstanding performance in cost control

Continued decrease in cost of sales, administrative expenses and capital expenditure



CONTENT

1 Financial Results

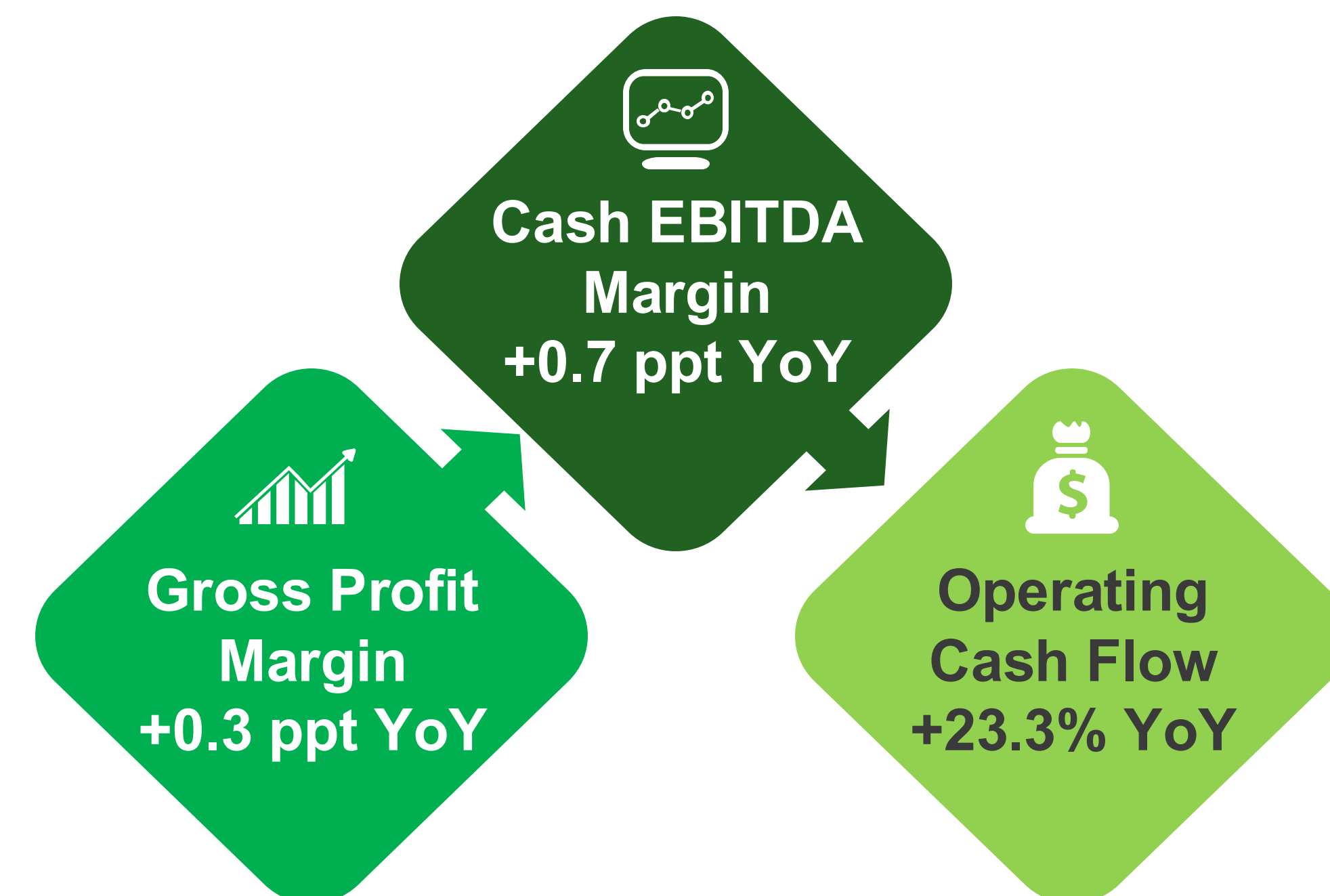
2 Business Updates

3 Industry Trends



2025 Interim Results Reviews

RMB Million	2025H1	2024H1	Change
Revenue	6,073	6,418	-5.4%
raw milk sales	5,069	5,112	-0.8%
integrated dairy farming solutions	1,004	1,306	-23.2%
Gross Profit	1,604	1,678	-4.4%
Gross Profit Margin (%)	26.4	26.1	+0.3 ppt
raw milk sales (%)	30.2	30.3	-0.1 ppt
Cash EBITDA⁽¹⁾	1,477	1,515	-2.5%
Cash EBITDA Margin (%)	24.3	23.6	+0.7 ppt
Losses arising from changes in fair value of dairy cows less costs to sell dairy cows	1,823	1,151	+58.4%
Net Profit	-984	-207	N/A
Basic earnings per Share (RMB cents)	-11.67	-2.91	N/A
Operating Cash Flow	490	398	+23.3%

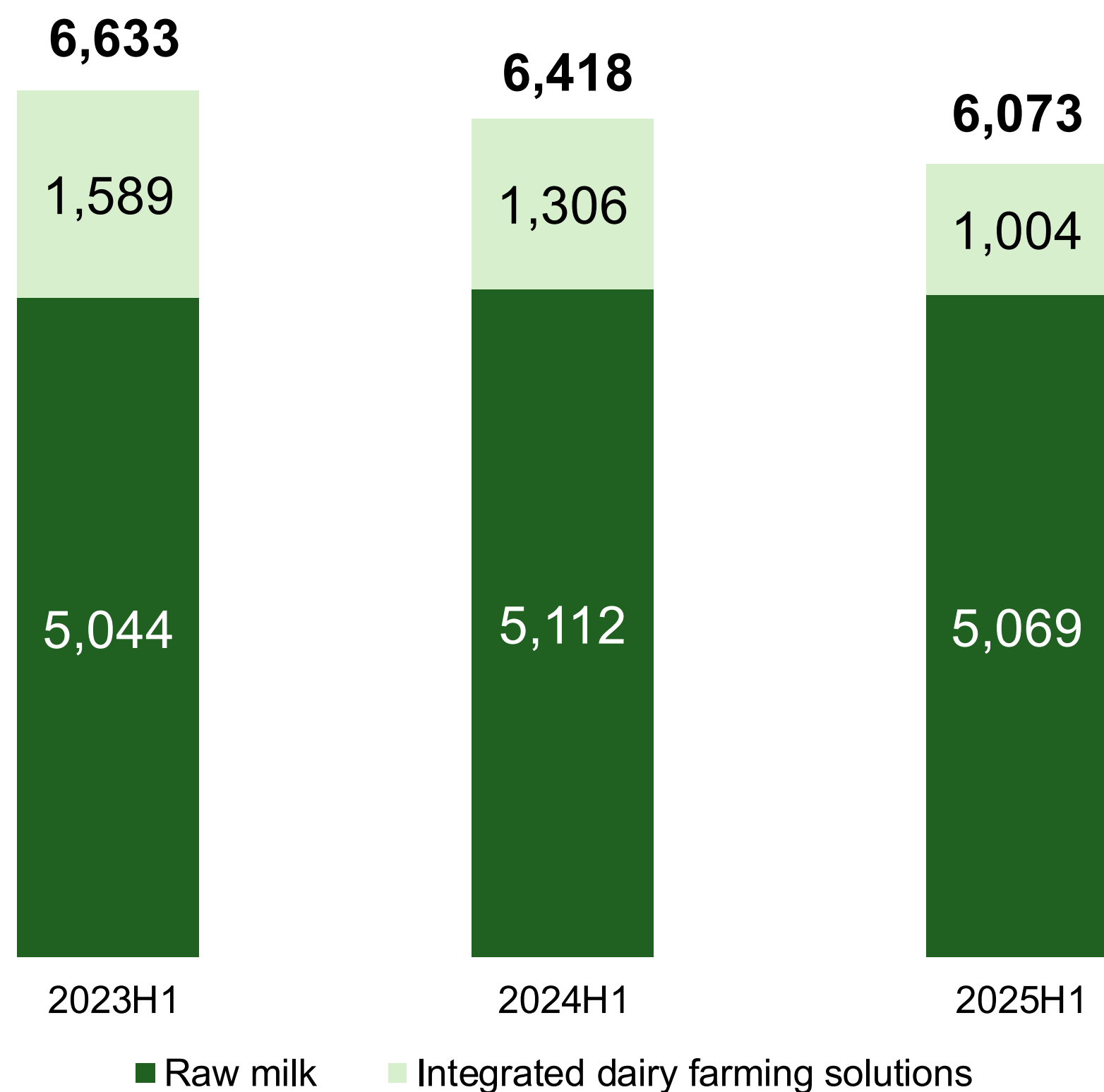


Note:

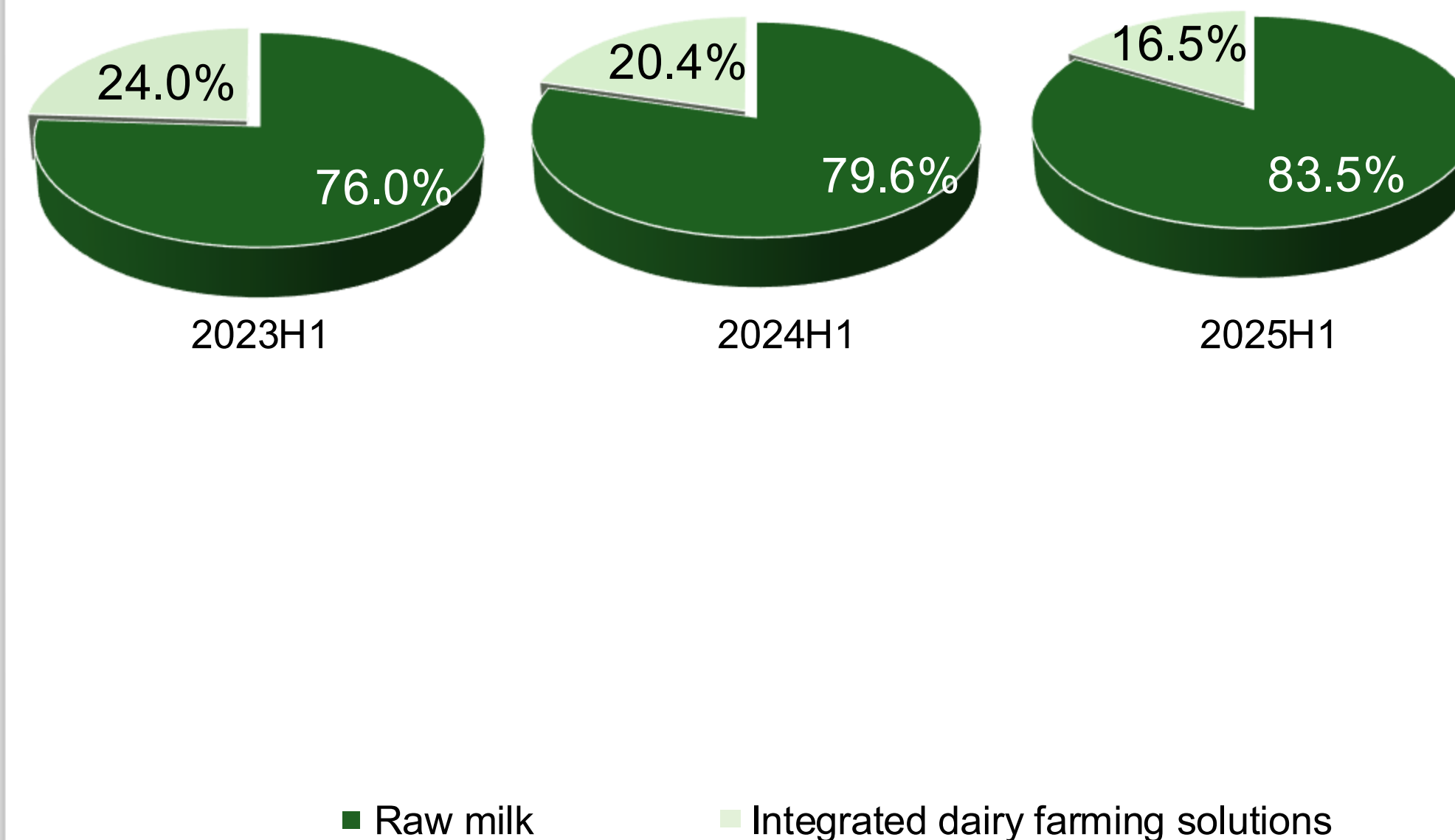
(1) Cash EBITDA is defined as earnings before finance costs and tax having added back: i) depreciation and amortisation charged to profit and loss; ii) other gains and losses, net; iii) impairment losses under expected credit loss model, net of reversal; iv) loss arising from changes in fair value less costs to sell of dairy cows.

Raw Milk Business Maintained Stable

Sales Revenue by segment
(RMB Million)

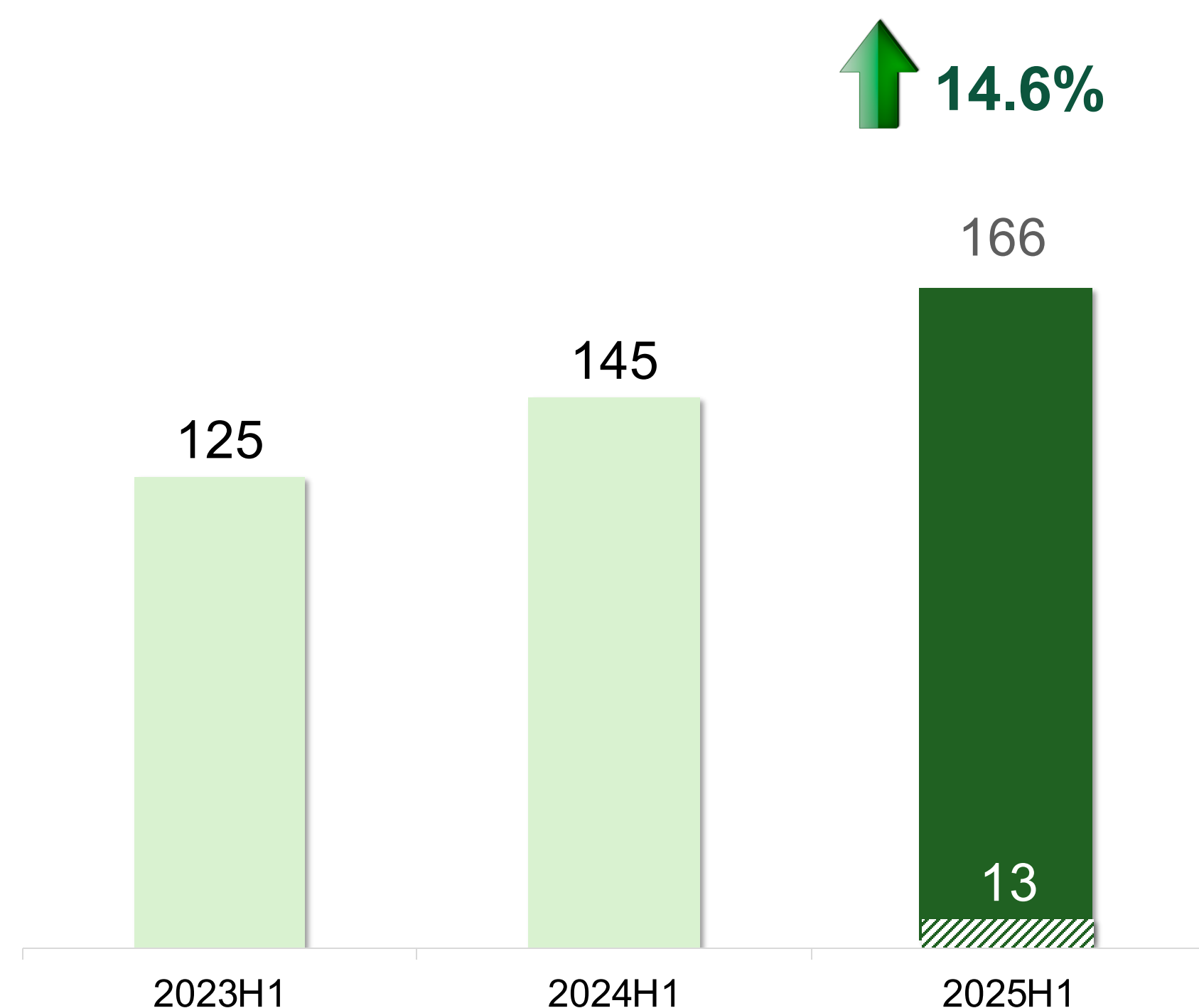


Revenue breakdown by segment
(%)



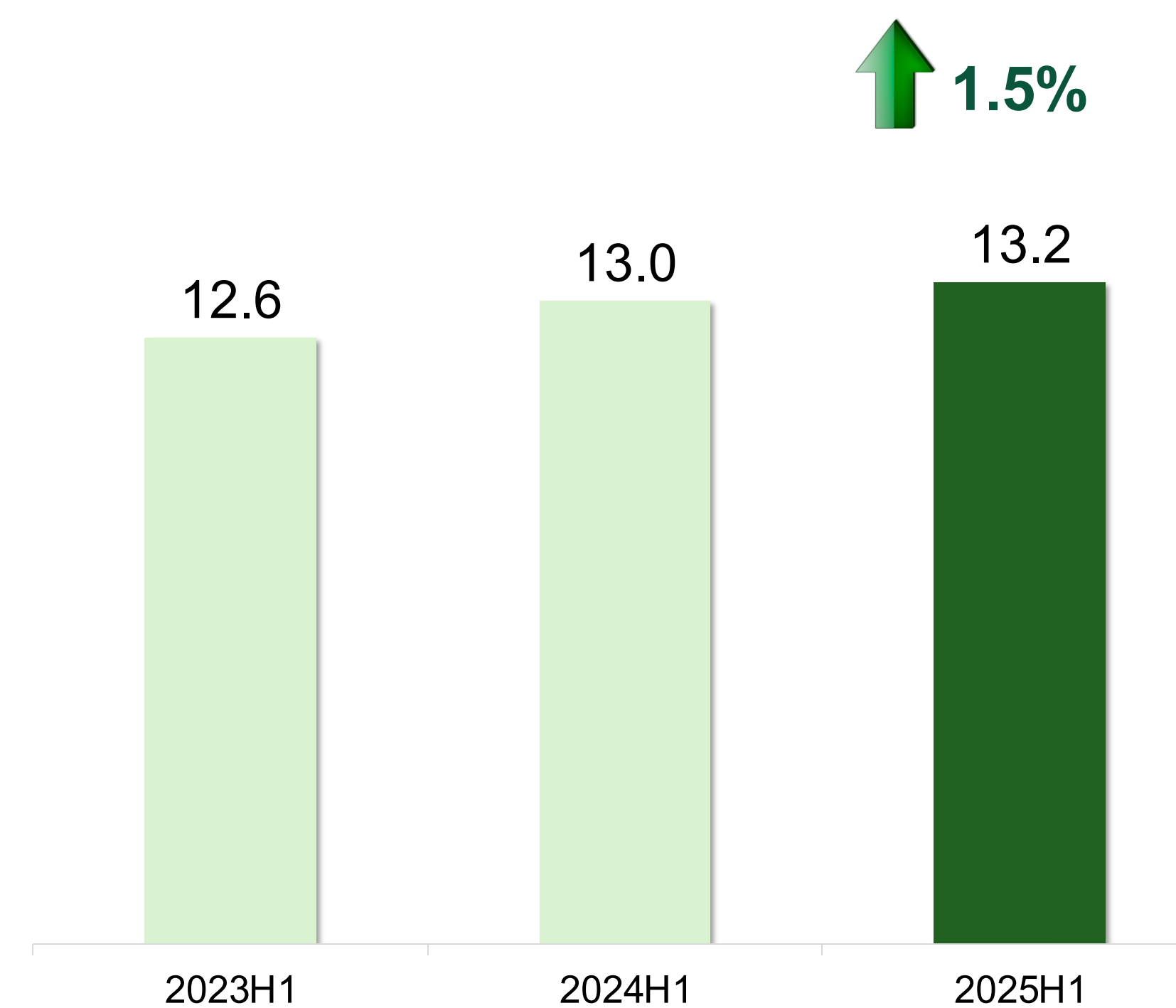
Enhancement in Total Milk Production and Yield per Milkable Cow

Total Milk Production (0'000 tons)



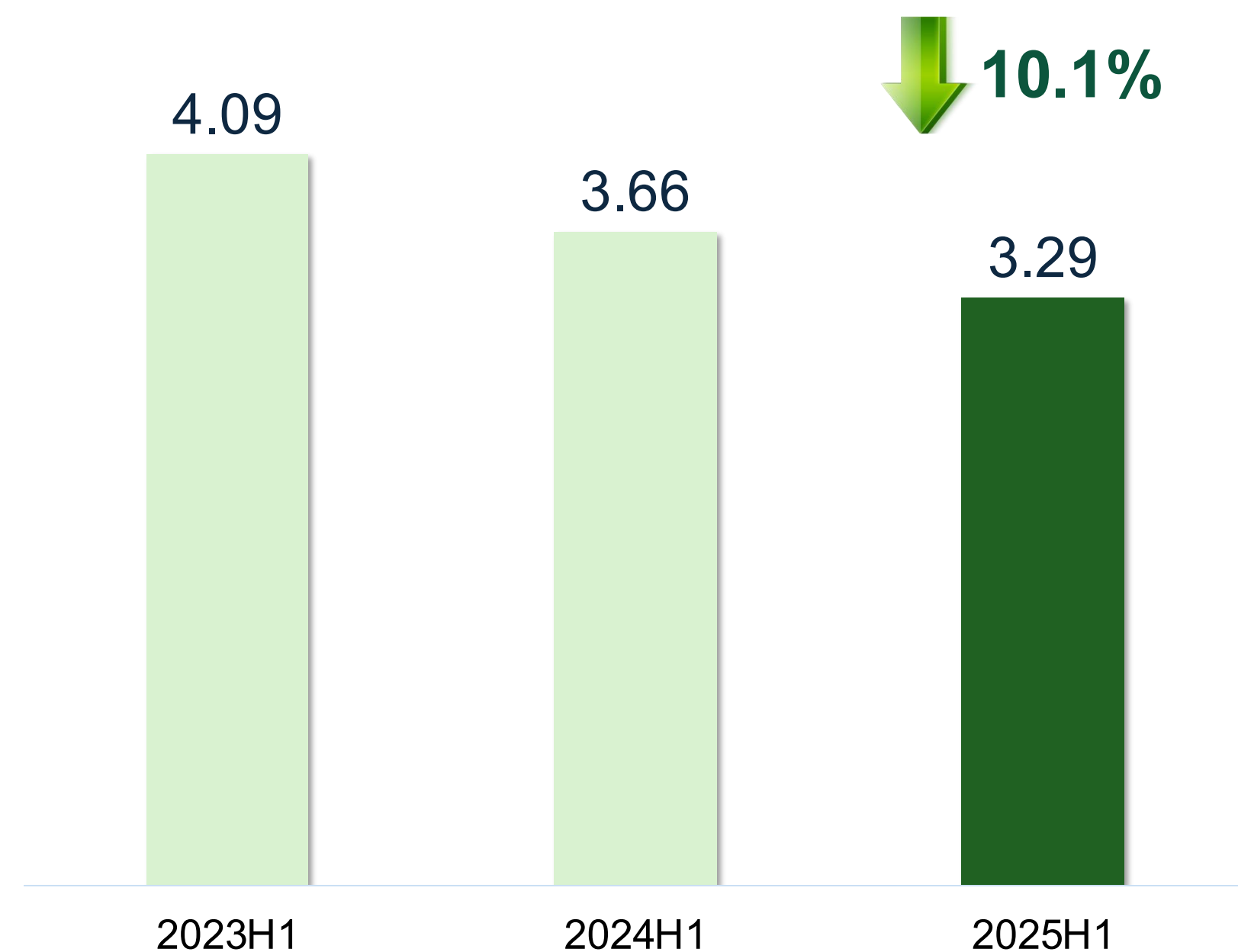
Remark: In 2025H1, organic milk production reached 117,000 tons, of which 88,000 tons came from the 4 organic dairy farms acquired in 2024H2. Specialty milk production exceeded 130,000 tons, accounting for 8% of the total production.

Yield per Milkable Cow (ton)



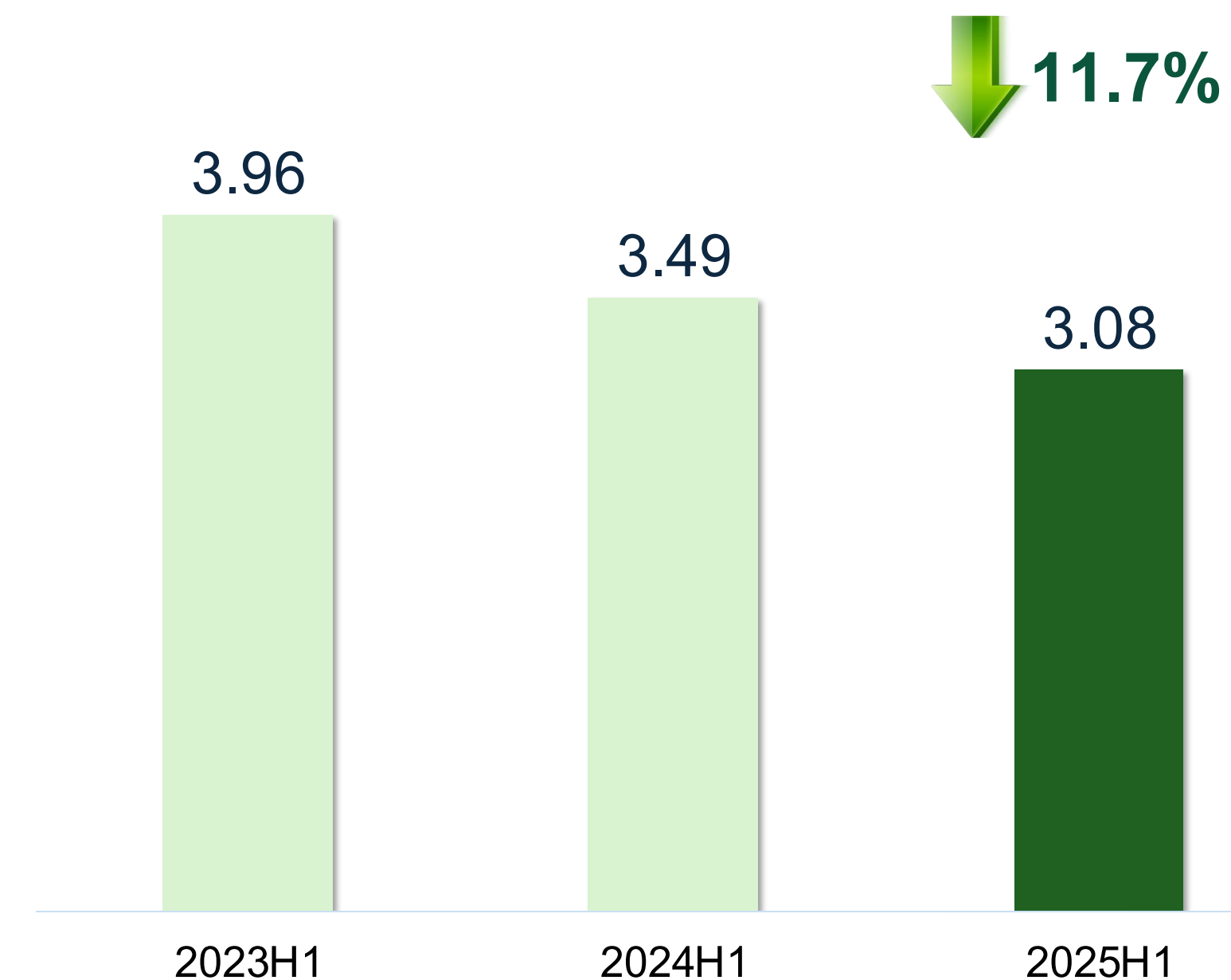
Milk Prices Outperformed Market

ASP of Raw Milk –
Modern Dairy (RMB yuan/kg)



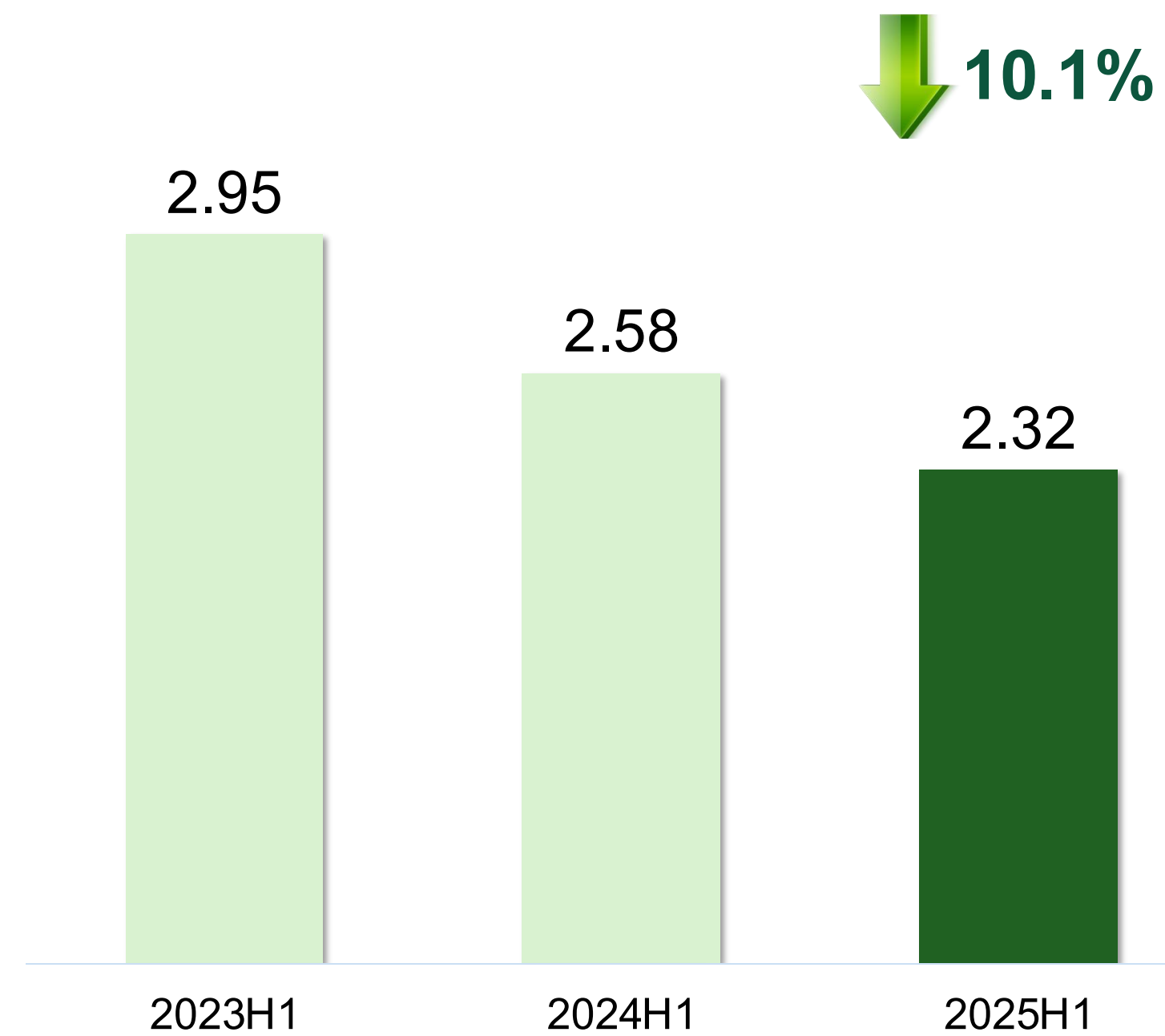
ASP of Raw Milk –
Domestic Market (RMB yuan/kg)

Source: Ministry of Agriculture and Rural Affairs

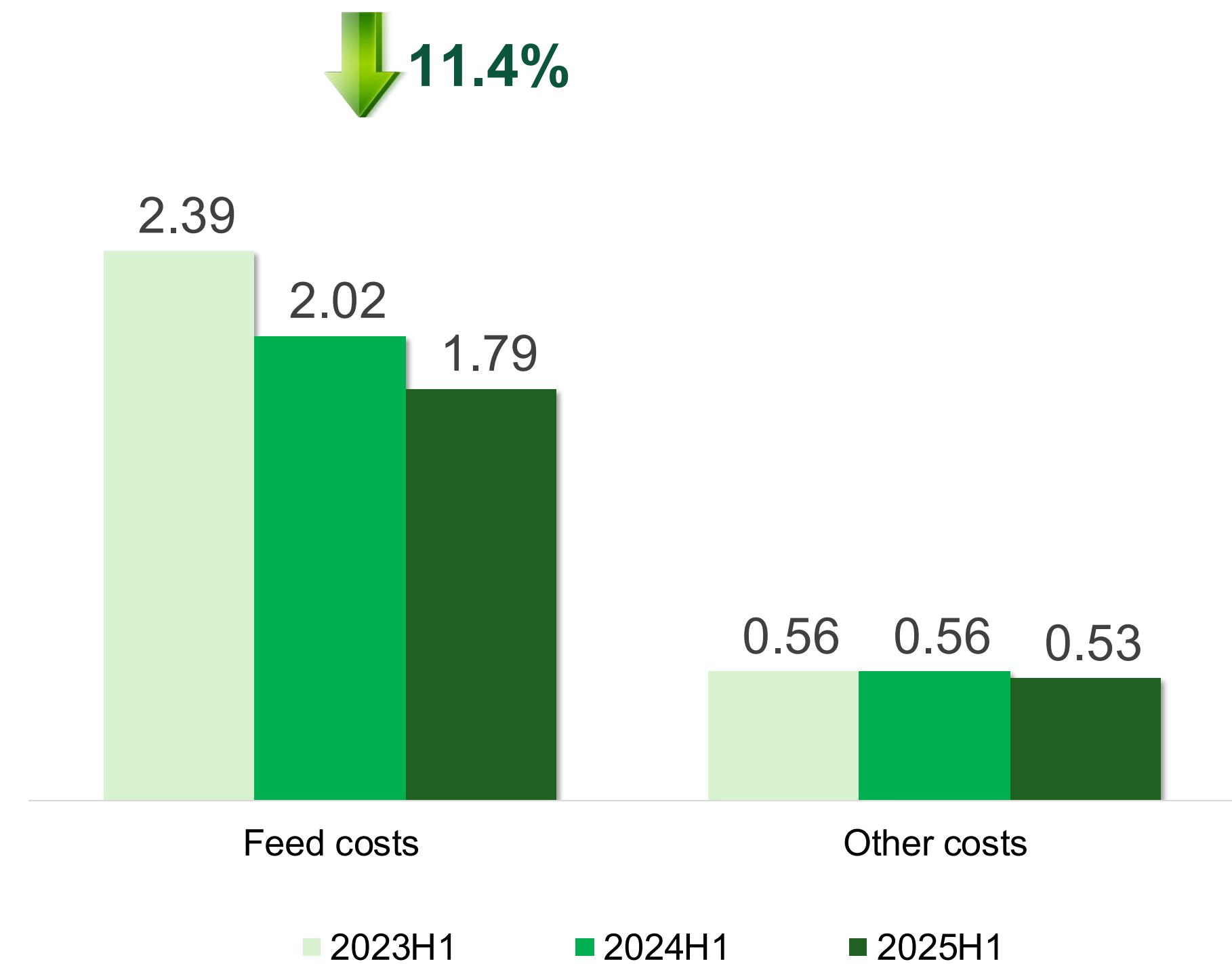


Significant Decrease in COGS per Kilogram

COGS (RMB yuan/kg)

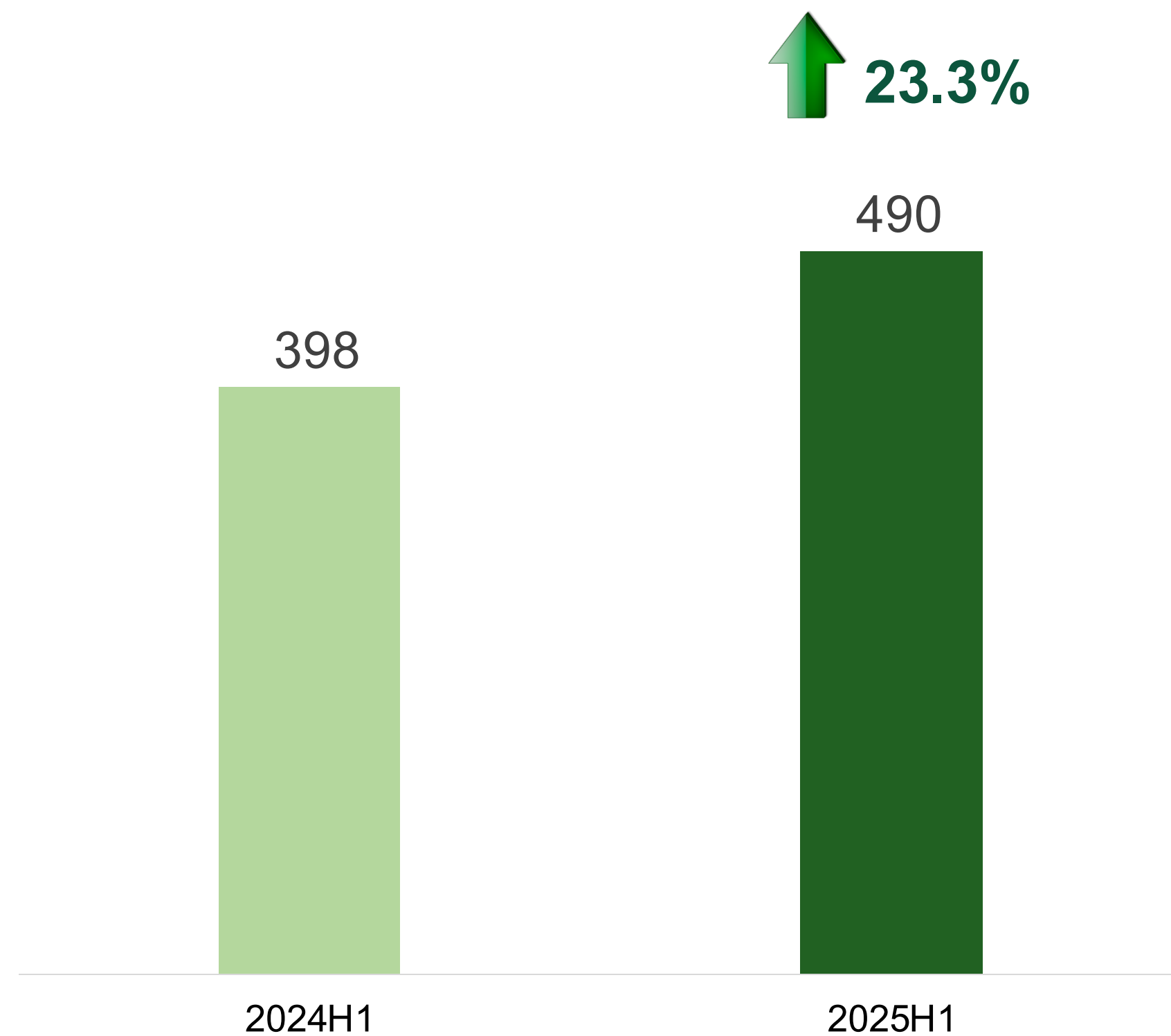


COGS Breakdown (RMB yuan/kg)

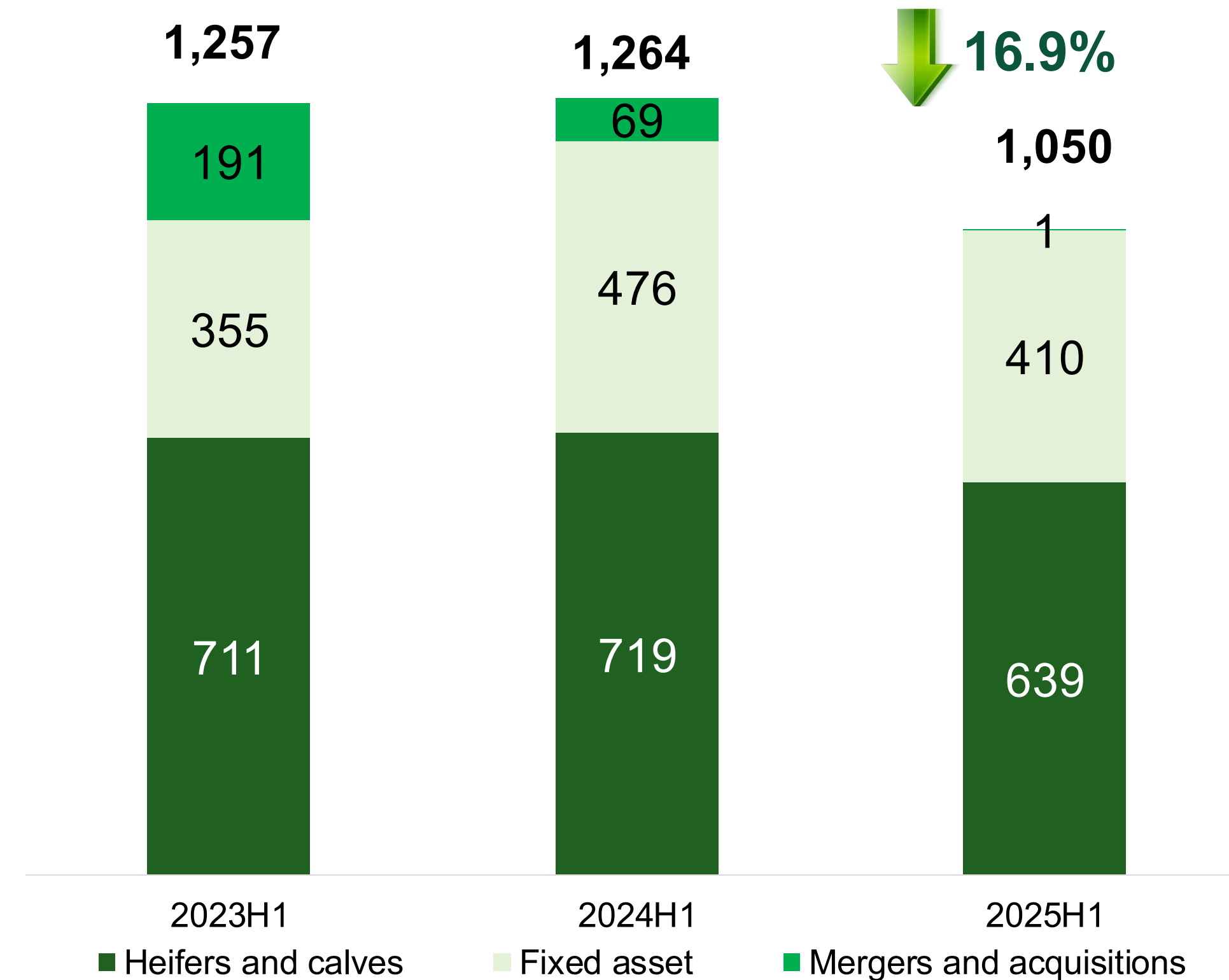


Enhanced OCF with Decreased CAPAX

Operating Cash Flow (RMB Million)



Capital Expenditure (RMB Million)



Note: CAPAX on heifers and calves = Expenditure on purchased cows + Expenditure on breeding heifers and calves – income from cow culling

Balance Sheet

RMB 100 Million	2025H1	2024	Change (%)
Biological Assets	116.6	124.4	-6.2%
Fixed Assets	75.1	75.5	-0.5%
Total Assets	333.9	339.4	-1.6%
Total Liabilities	233.3	228.2	+2.2%
Total Equity	100.6	111.2	-9.6%
Net Asset Value per Share ⁽¹⁾ (RMB yuan)	1.08	1.20	-10.0%
Total Interest-bearing Borrowings	169.7	144.6	+17.3%
Total Lease liabilities	23.1	24.3	-5.0%
Cash and Cash Equivalents	52.0	36.7	+41.7%
Net Interest-bearing Borrowings ⁽²⁾	117.8	108.0	+9.1%
Net Interest-bearing Debt Ratio ⁽³⁾ (%)	53.9	49.3	+4.6 ppt
Debt-to-asset Ratio ⁽⁴⁾ (%)	69.9	67.2	+2.7 ppt

Notes:

(1) Net Asset Value per Share = Equity Attributable to Owners of the Company/Year-end Number of Shares Outstanding

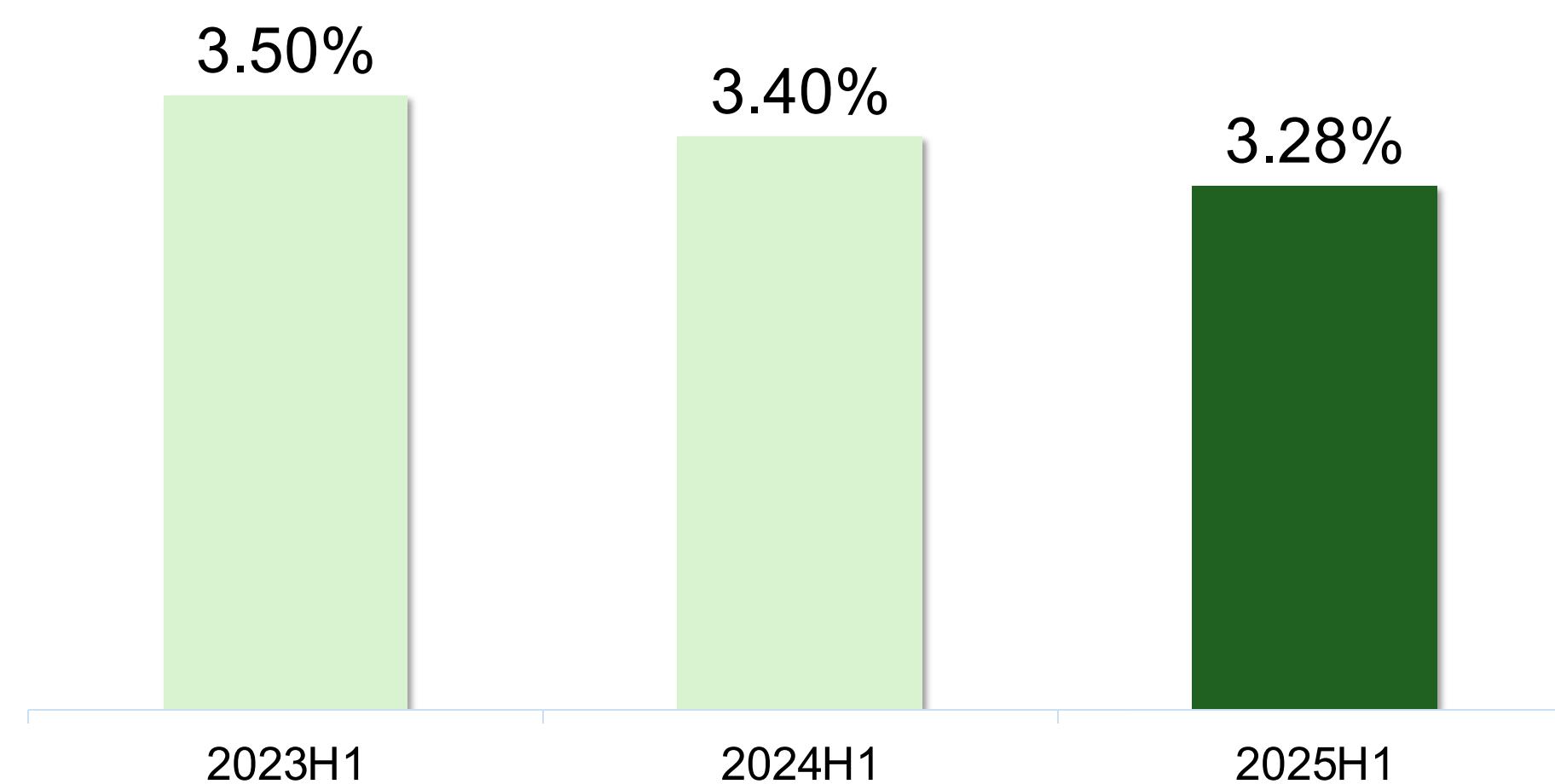
(2) Net Interest-bearing Borrowings = Interest-bearing borrowings - Cash and bank deposits

(3) Net Interest-bearing Debt Ratio = Net Interest-bearing Borrowings/(Net Interest bearing Borrowings + Equity)

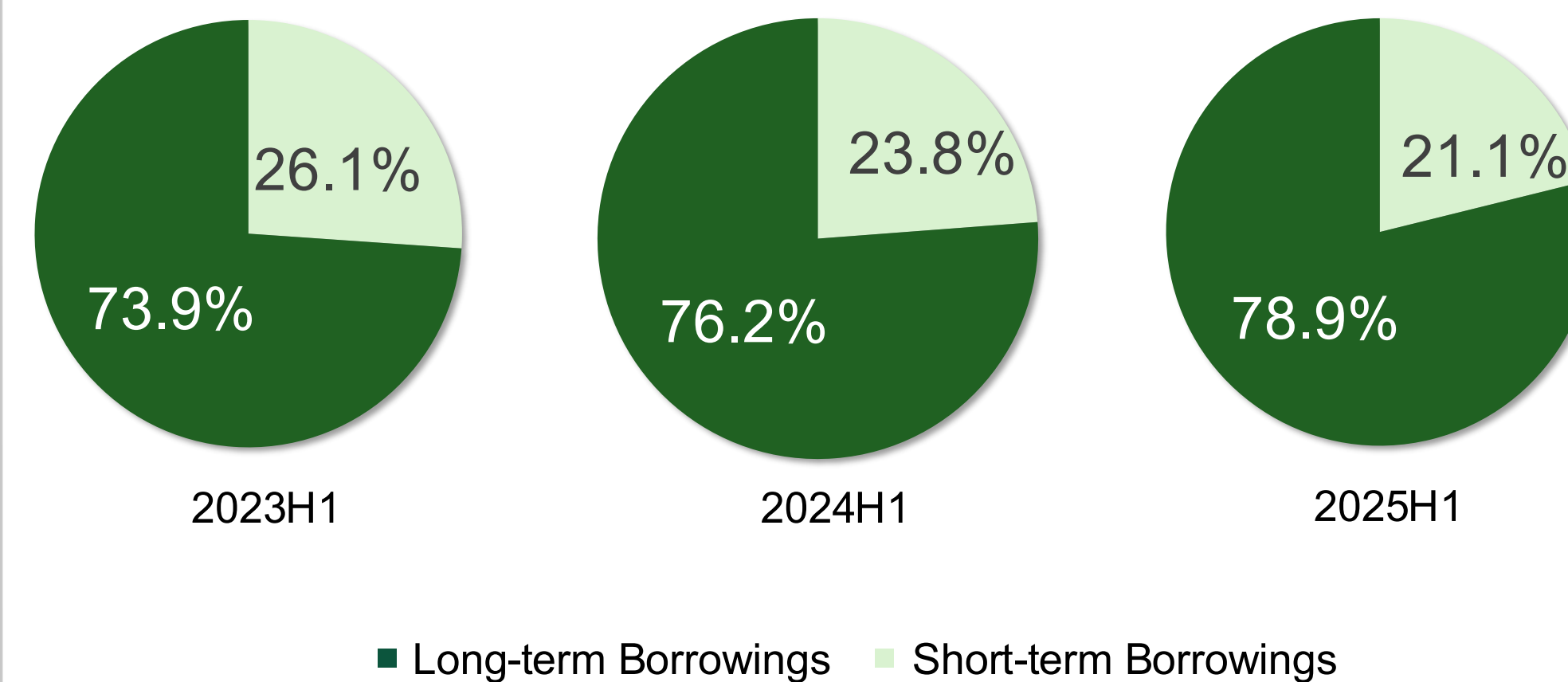
(4) Debt-to-asset Ratio = Total Liabilities/Total Assets

Interest-bearing Borrowings: Reduced Costs and Optimised Structure

Interest Rate on Borrowings



Borrowing Structure



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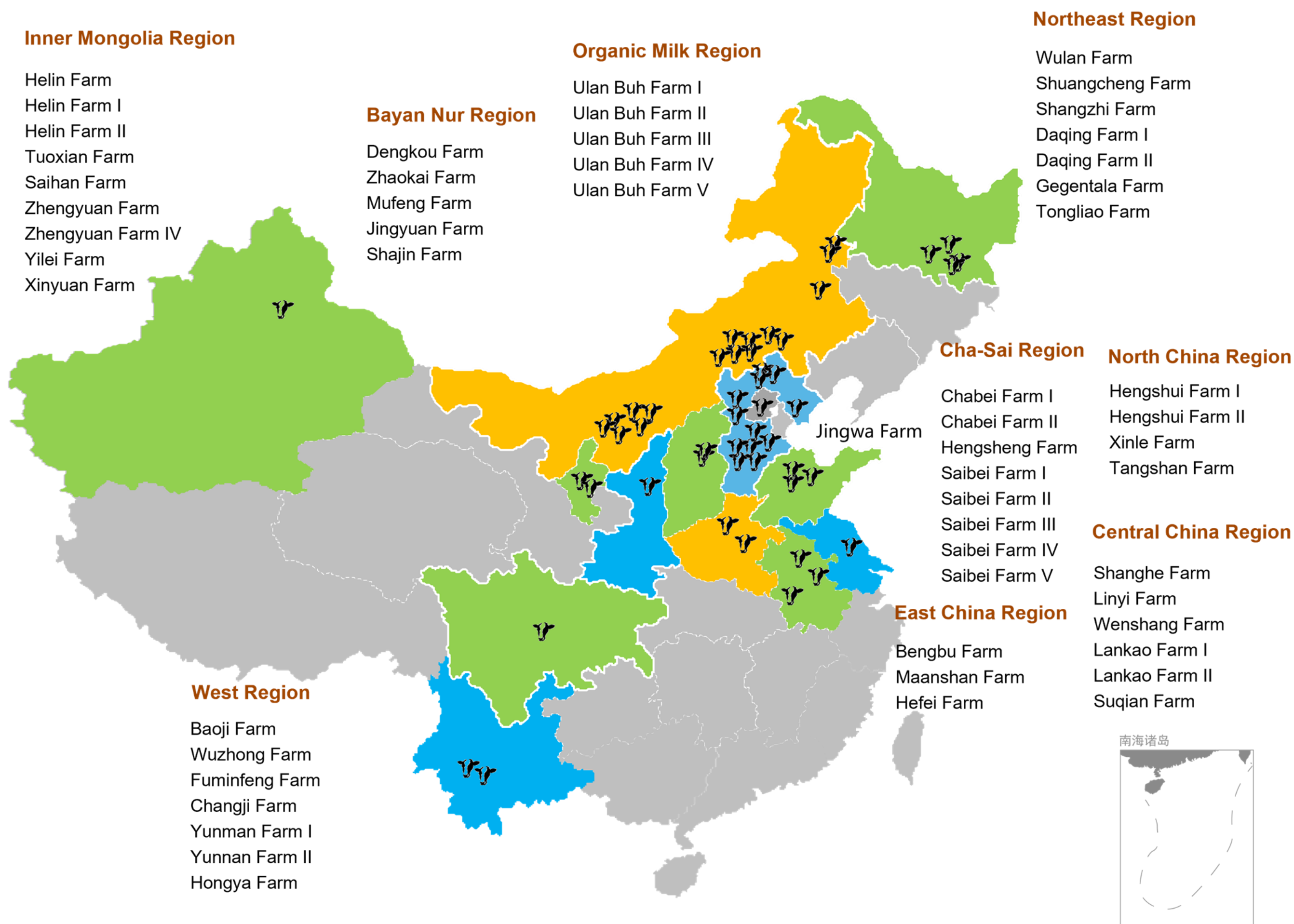
1 Financial Results

2 Business Updates

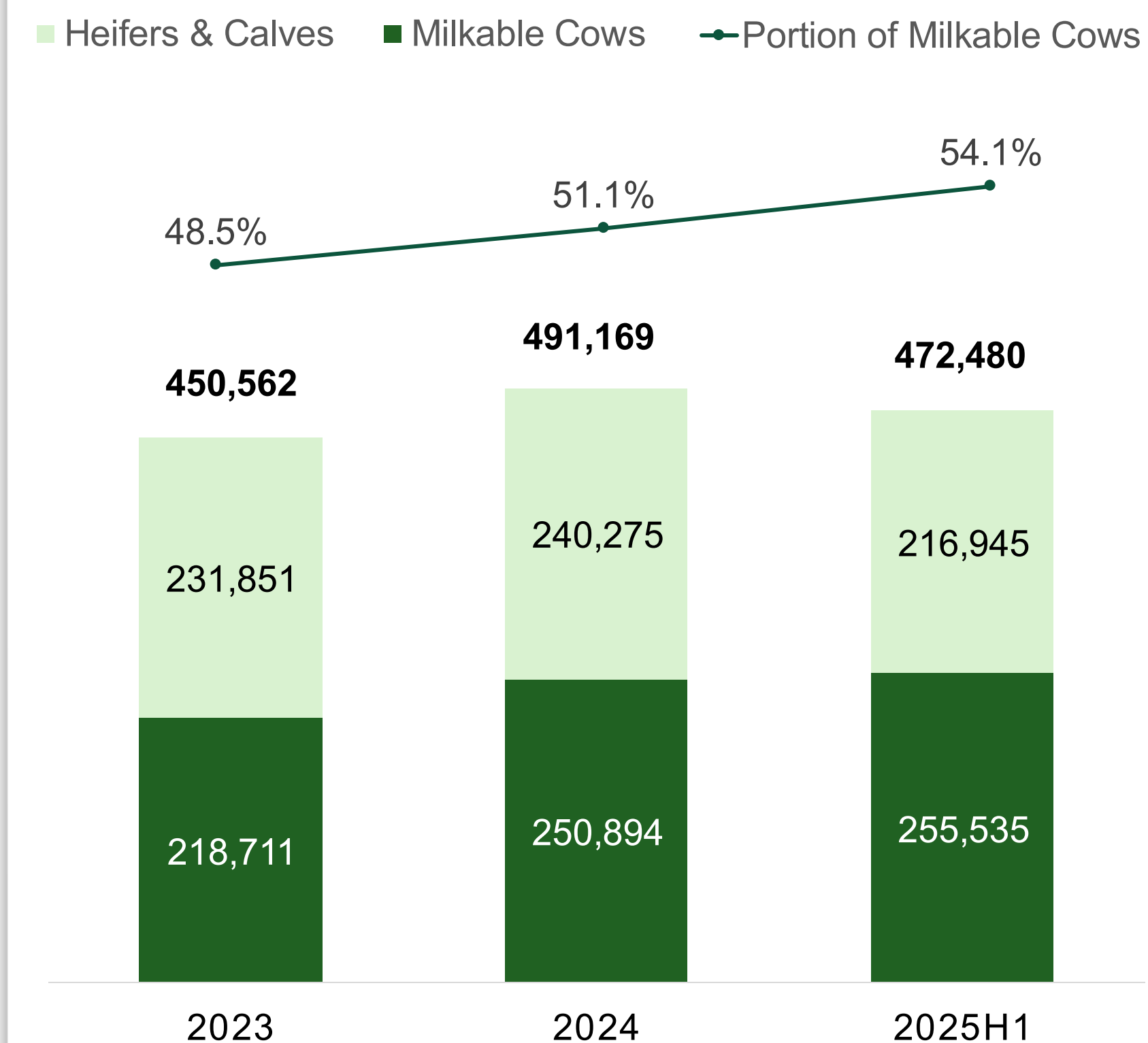
3 Industry Trends



Farm and Herd Scale



Herd Size & Portion of Milkable Cows



Note: As of 30 June 2025, the Group has invested in and operated 47 dairy farms in China (in terms of legal entities), with a total herd of over 470,000 dairy cows across 13 provinces and autonomous regions

Integrated Dairy Farming Solutions

Feeds & Forage Grass Business

6 production plants in China, including **2** feed mills and **4** tablet plants

2 domestic planting bases with a land area of **9,400 mu** and an annual output of **20,000 tons** of high-quality forage grass. Through cooperation with planters, we control a land area of over **1 million mu**

Supported by **3** processing facilities in 3 major states in the United States, we produce high-quality alfalfa with an annual supply of high-quality forage exceeding **200,000 tons**



Intelligent Digital Platform

Leveraging its supply chain finance platform, Aiyangniu successfully attracted RMB **171 million** in funds and extended RMB **590 million** in cattle credit (牛信)

Yunyangniu intelligent system has covered **400 farms** and **1.58 million** cows

Services include digital construction, supply chain finance, technical services, cloud logistics, etc



Core Breeding

Established **2** national-level core breeding farms for dairy cow

30 breeding bulls independently cultivated

Produced **5,467** embryos

Independently produced **110,000** doses of frozen semen



Effective Cost Control

Feed Costs

In 2025H1, feed costs were **RMB1.79/kg, down 11.4% YoY**

Key Initiatives:

- Formula optimisation
- Improvement in lactation efficiency
- Domestic substitution for imports
- Enhanced direct sourcing

Other Cash Costs

In 2025H1, other cash costs were **RMB0.41/kg, down 6.8% YoY**

Key Initiatives:

- Replacement of diesel vehicles with EVs
- Recycling of cow dung
- Utilization of biogas and solar power
- Intelligent water saving and consumption reduction

Admin Expenses

In 2025H1, admin expenses **decreased by 5.6% YoY**

Key Initiatives:

- Streamlining of organizational structure
- Improvement in personnel efficiency
- Optimization of management processes
- Innovation in information technology

Outstanding Performance in ESG

MSCI Rating

MSCI 

1

Ranked number

ESG rating upgraded to A
in China's dairy farming industry

S&P CSA

S&P Global

Our ESG score
in 2024 S&P Global CSA
outperformed 92% of global peers

As a forerunner in the industry
We were included in
“S&P Global Sustainability
Yearbook (China Edition) 2025”

8 %

Moody's SPO

MOODY'S

“Sustainability Financing Framework”
received SQS3 second party certification

The **first** SPO certification in China's dairy farming industry

Wind ESG Rating

Wind ESG

Ranked the second
among 233 companies in the food industry

1

Number

in China's dairy products industry

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1 Financial Results

2 Business Updates

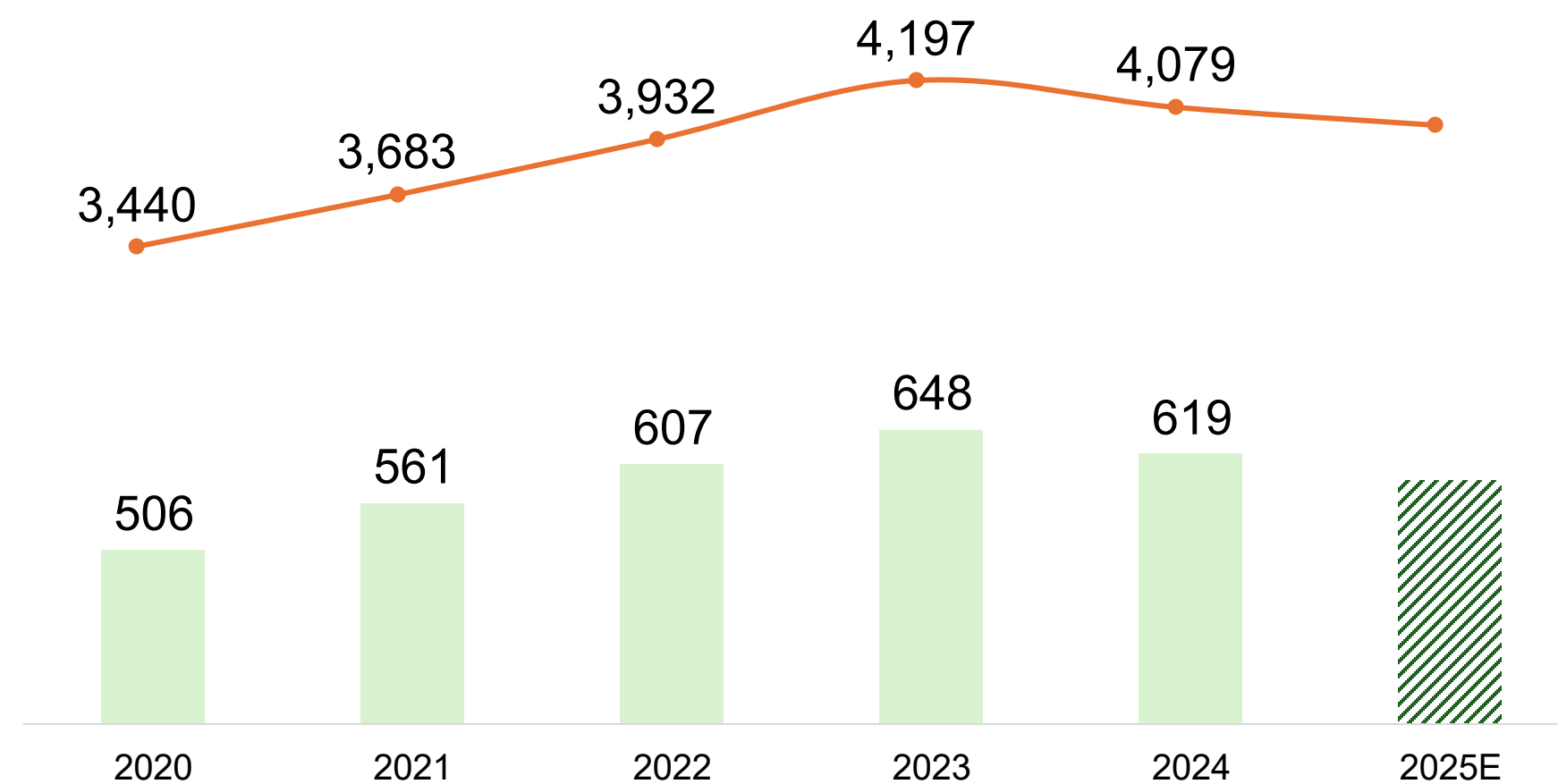
3 Industry Prospects



Supply Side: Upstream Continued Destocking Strategy

Domestic Herd Size (0,000 heads) and Raw Milk Production (0,000 tons)

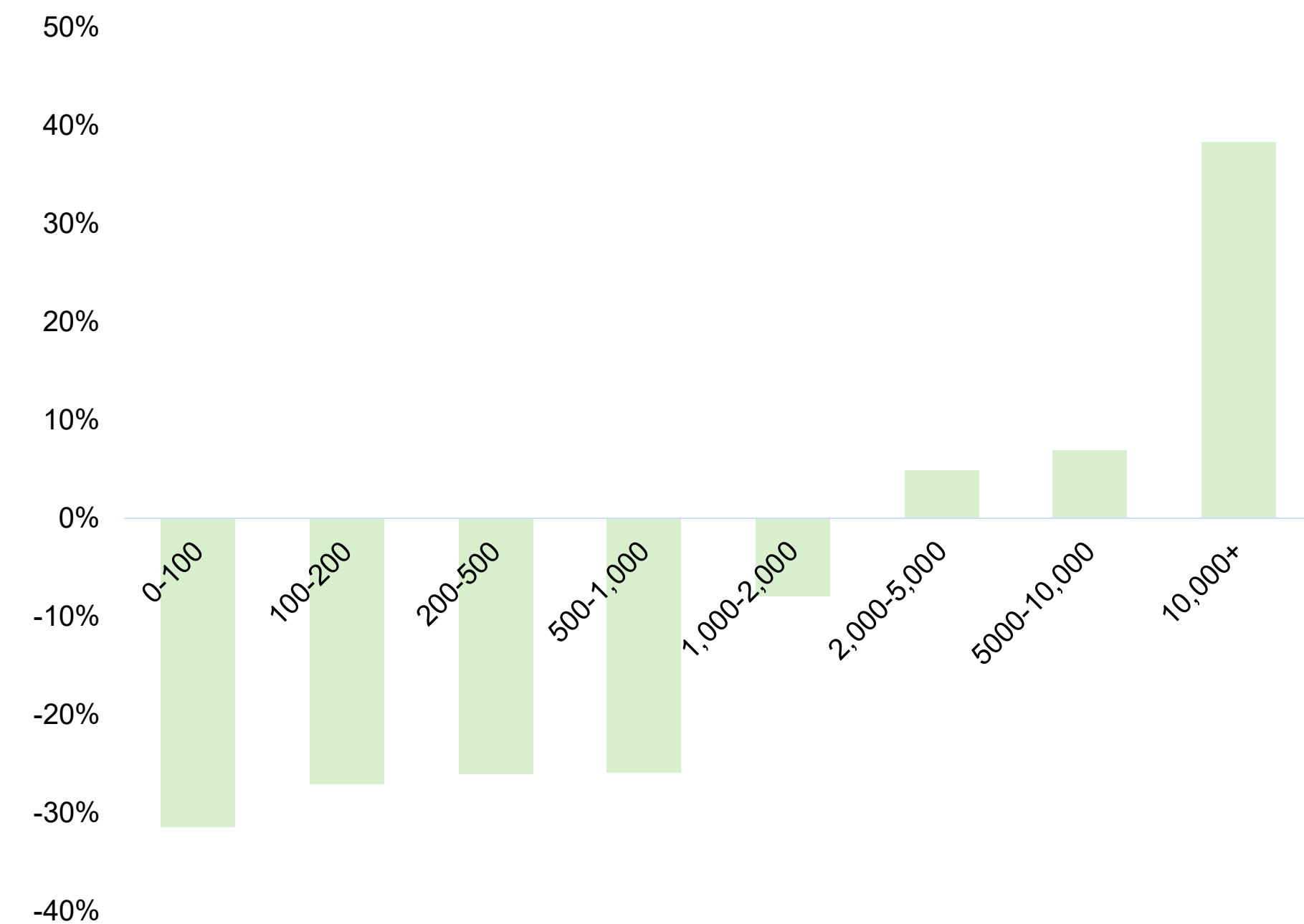
Source: NDCITS, National Bureau of Statistics of China



- ▶ According to the data from National Dairy Cow Industry Technology System (NDCITS), the herd size decreased by 159,000 heads to 6.03 million heads in the first half of 2025.
- ▶ According to data from the National Bureau of Statistics, the total production of raw milk increased by 0.5% YoY in the first half of 2025.

Change in Herd Size in Farms in 2022-2024

Source: CITICS Research

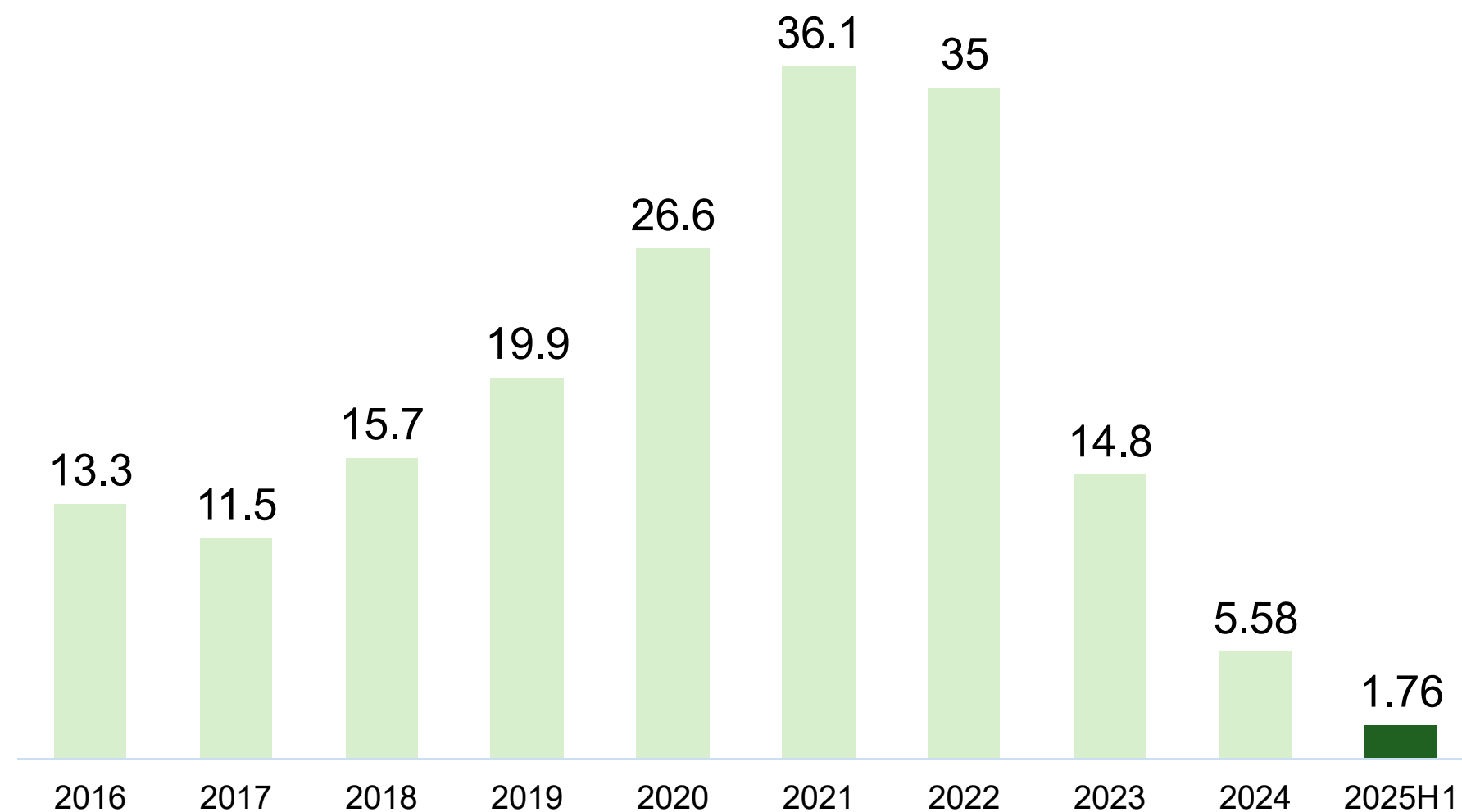


- ▶ In 2022 to 2024, herd sizes of farms with over 10,000 heads increased by nearly 40% YoY, while herd sizes of farms with under 2,000 heads decreased by 10% to 30% YoY.

Supply Side: Significant Decline in Imports of Milkable Cows and Frozen Semen

Number of Imported Dairy Cows in China (0,000 heads)

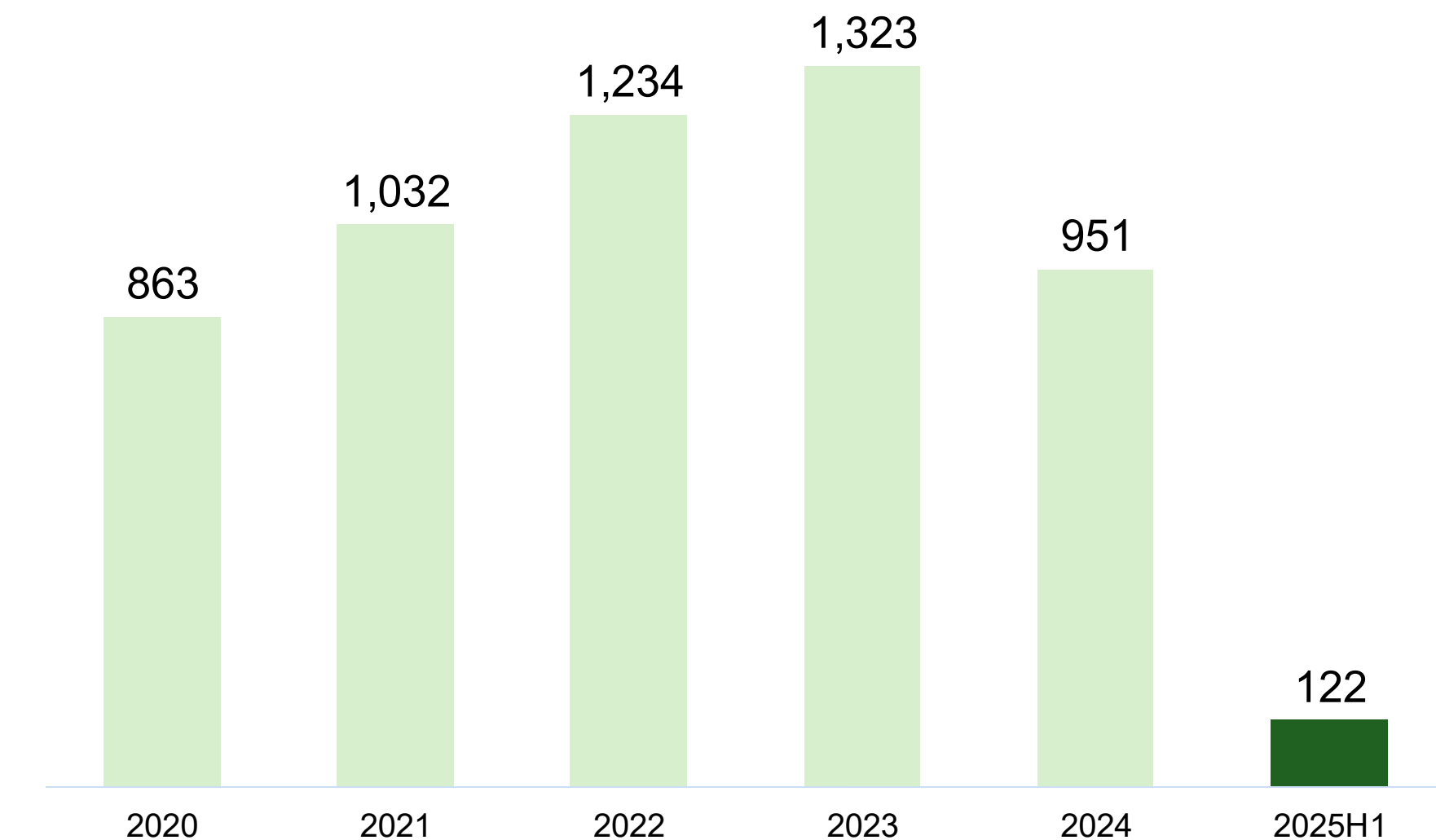
Source: China Customs



- From January to June 2025, China imported a total of 17,600 live cattle, down 61.5% YoY; the import value was USD 25 million, down 65.3% YoY; the average price was USD 1,404 per head, down 9.8% YoY.

Doses of Imported Frozen Semen to China (0,000 doses)

Source: China Customs

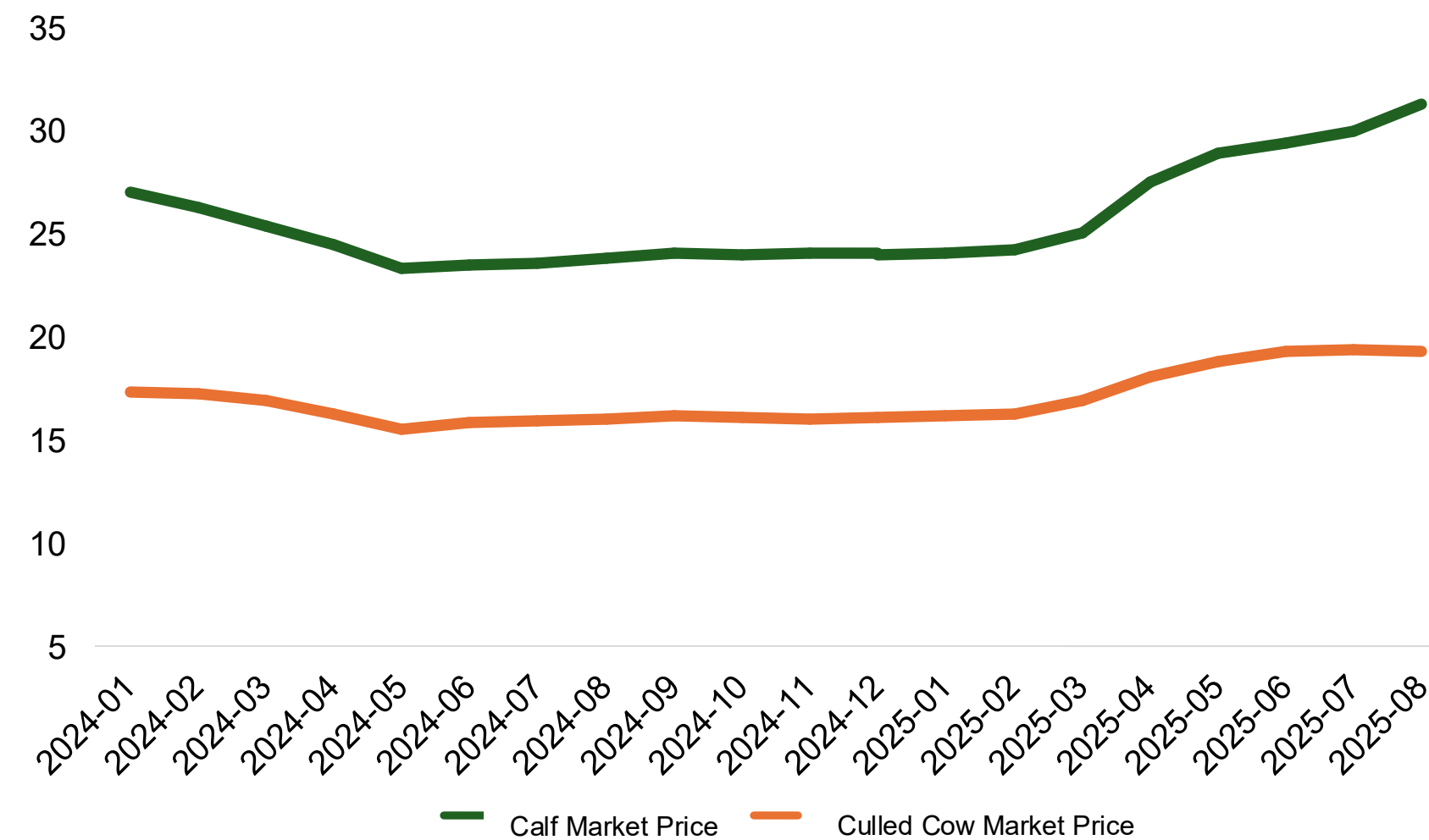


- From January to June 2025, China imported a total of 1.22 million doses of frozen semen, down 76.5% YoY; the import value was USD 8 million, down 77% YoY, the average price was USD 6 per dose, down 2.5% YoY. All imported frozen semen came from the United States.
- Due to customs quarantine requirements, China has not imported any bovine semen for 3 consecutive months (April, May, June).

Supply Side: Beef Prices Bottomed Out and Rebounded

Calf and Culled Cow Prices (RMB yuan/kg)

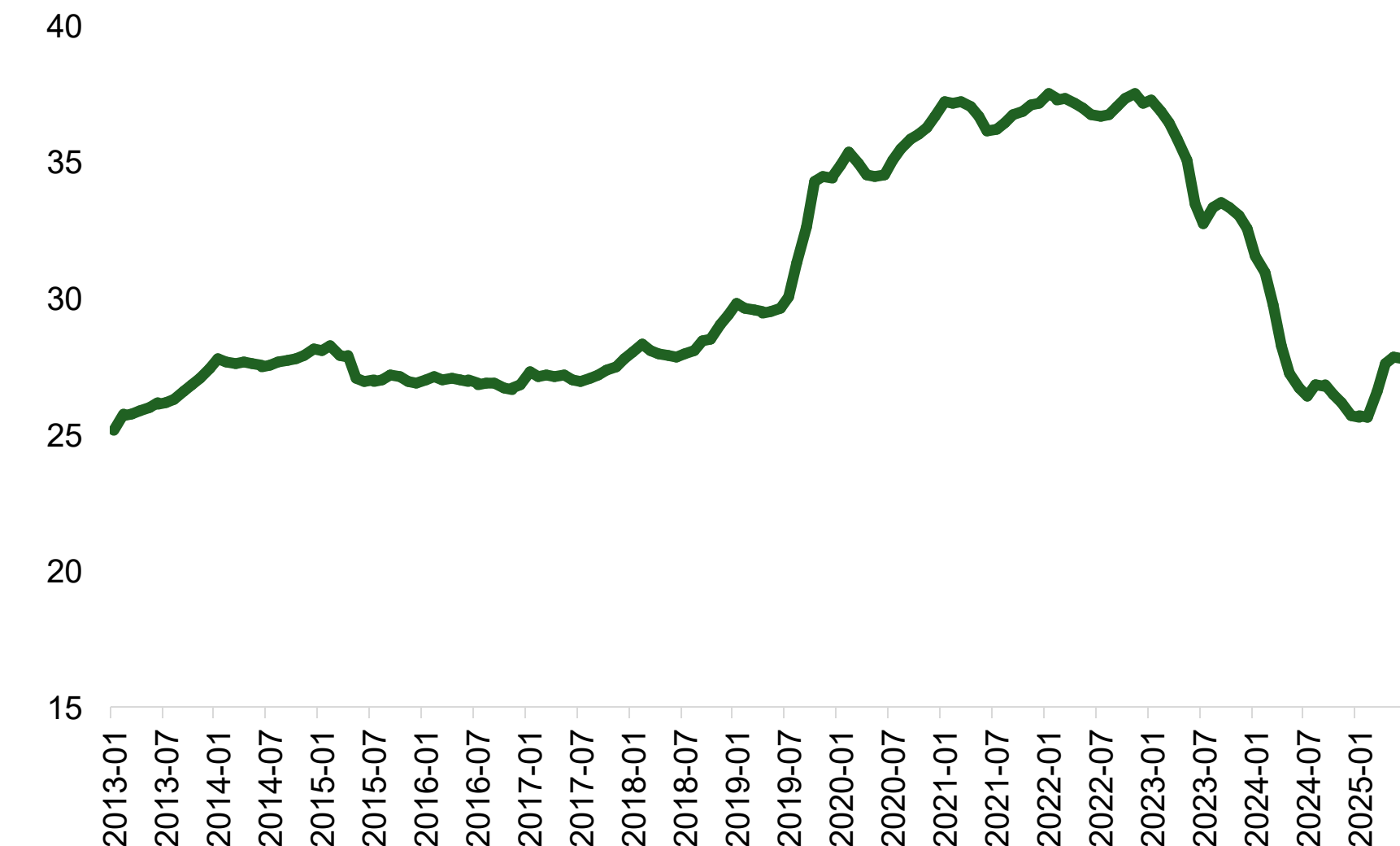
Source: Mysteel



- From January to May 2025, China's beef imports decreased by 11% year-on-year due to the Ministry of Commerce's review of imported beef and the impact of tariffs. Driven by declining domestic stocks, declining imports, and steadily growing demand, beef and live cattle prices have bottomed out and rebounded since 2025. Culled cow prices have risen from a low of RMB 15 per KG in May 2024 to RMB 19 per KG.

Live Cattle Prices in Agricultural Trade Markets (RMB yuan/kg)

Source: National Bureau of Statistics of China

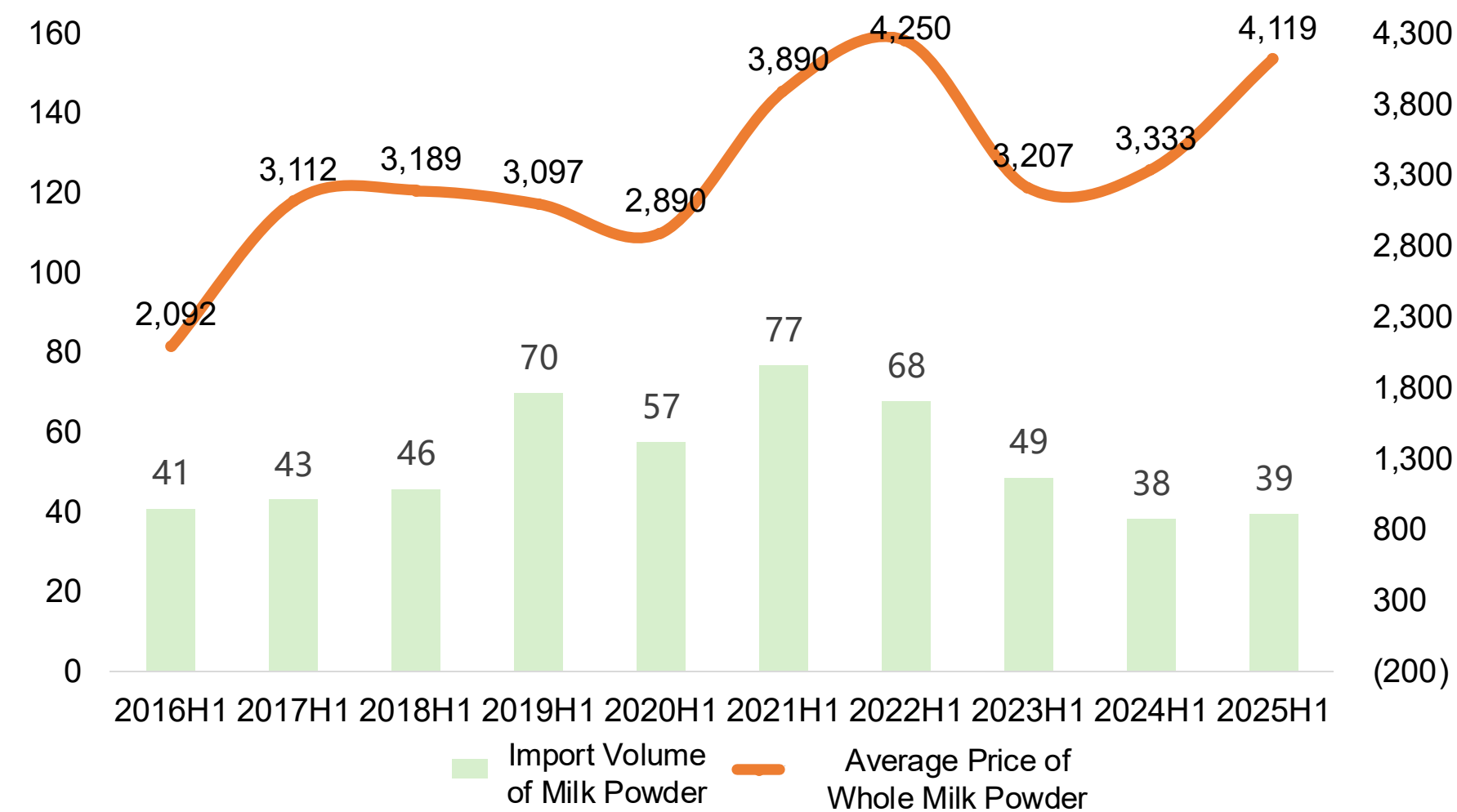


- In 2025, culled cow prices have rebounded, but it was still far from the previous high point.

Demand Side: Increasing Price of Imported Milk Power

Import Volume (0'000 tons) and Price (USD/ton) of Milk Powder

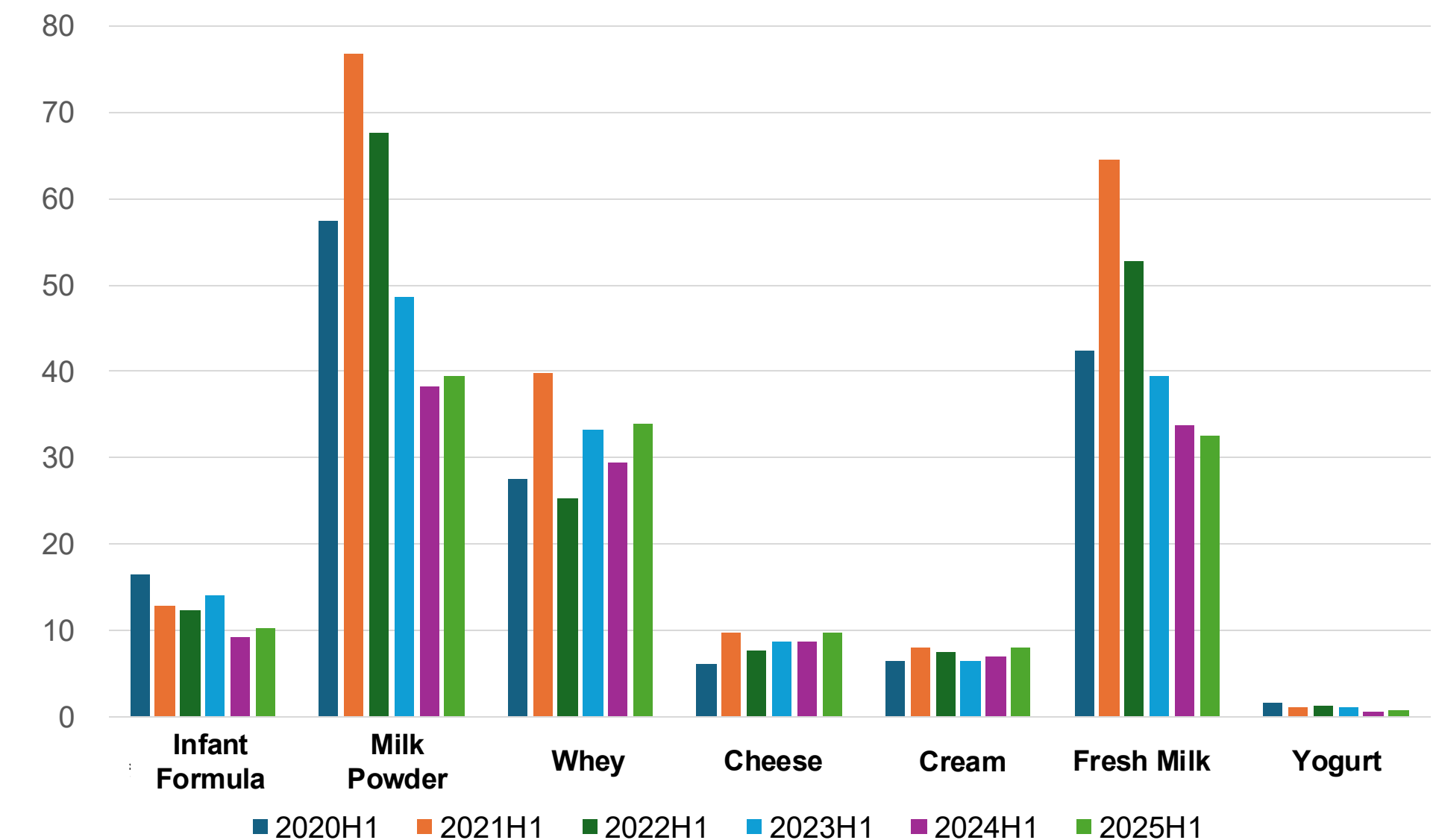
Source: China Customs, Fonterra



► As the prices of domestic milk powder gradually rebounded and the industrial demand increased, the import volume of milk power remained flat in the first half of 2025

Imports of Dairy Products

Source: China Customs

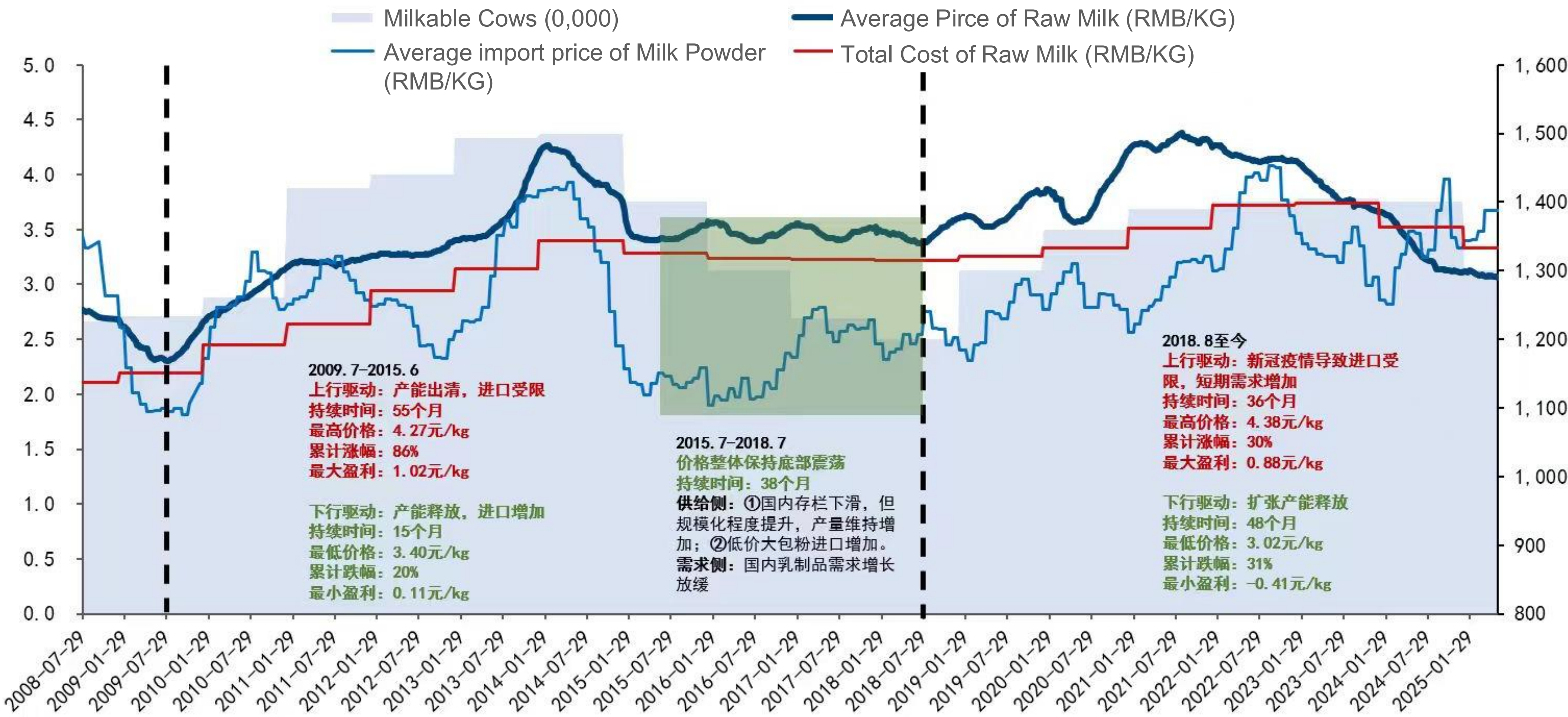


► In 2021 to 2024, the import volume of whey, cheese, and cream remained stable, with prices rebounding in 2024. In the first half of 2025, the industrial demand for raw materials increased, leading to YoY recovery in the imports volume of solid dairy products.

Diverging Milk Prices at Home and Abroad

Overview of Domestic Raw Milk Price Cycles (2008 to 2025)

Source: Guosen Securities, the Ministry of Agriculture and Rural Affairs, China Customs, USDA





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THANK YOU



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