

Guizhou Nanfang Dairy secures BSE IPO registration approval, plans \$81.11 Mn fundraise

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With \$81.11 million earmarked for farm and marketing expansion, Nanfang Dairy is positioning its IPO as a growth-capital push



Guizhou Nanfang Dairy Co., Ltd. (Nanfang Dairy) has secured approval for its initial public offering (IPO) registration on the Beijing Stock Exchange (BSE), marking a key step in the dairy company's planned expansion of production capacity and market reach. Nanfang Dairy passed the BSE IPO review on March 18 and submitted its registration application to the China Securities Regulatory Commission (CSRC) on April 30. The company received registration approval 119 days later. On September 4, Nanfang Dairy disclosed that it had received approval for its public share issuance registration to unspecified qualified investors. On September 8, it announced further progress on the public offering and BSE listing and disclosed a trading suspension.

Under the approved plan, Nanfang Dairy intends to issue up to 35.19 million shares to unspecified qualified investors, excluding the over-allotment option, for listing on the BSE. The company plans to raise up to \$ 81.11 million (RMB550 million), with the proceeds earmarked primarily for a dairy farming base project in Weining County and the development of its marketing network. The planned investment comes as Nanfang Dairy seeks to strengthen both ends of its business—raw milk supply and downstream market access. The Weining County dairy farming base is expected to support the company's milk supply capacity, while the marketing network project is aimed at expanding its reach across markets and channels.

The company's first-half performance showed continued revenue growth, although profitability came under pressure. According to its H1 2026 report released on August 26, Nanfang Dairy recorded revenue of \$ 132.17 million (RMB 896.27 million), an increase of 4.97 per cent year on year. Net profit attributable to shareholders, however, declined 16.08 per cent to \$ 15.18 million (RMB 102.91 million).

The revenue increase was supported by active market expansion and new business development. Sales of ambient dairy products rose by \$ 4.18 million (RMB 28.34 million) from a year earlier, driven mainly by school milk and customised channels. Other core products also contributed to growth, with sales increasing by \$ 2.05 million (RMB 13.93 million). Raw milk sales rose by \$ 0.96 million (RMB 6.53 million), while dairy beverages and other new products added \$ 1.09 million (RMB 7.40 million).

The contrasting movement in revenue and profit highlights the pressure facing dairy companies as they seek growth in a competitive market. While Nanfang Dairy has expanded sales through new channels and products, its ability to translate that growth into stronger earnings will remain linked to raw material costs, market competition and operating efficiency. As the newly approved projects are implemented, the company expects greater raw milk supply capacity and a broader marketing network to strengthen its operating platform. The expansion could provide additional room for product and channel growth, but the impact on profitability will depend on how effectively the company manages input costs and competitive pressures.