China Modern Dairy Holdings Ltd.
2025 Sustainability Bond Allocation and Impact Report

As of 31 December 2025

1. Introduction

China Modern Dairy Holdings Ltd. ("Modern Dairy" or the "Company") issued a USD350 million sustainability bond on 10 July 2025 (the "Sustainability Bond").

This Allocation and Impact Report (the "Report") provides information on the allocation of the net proceeds from the Sustainability Bond and the associated environmental and social impacts as of 31 December 2025.

The Report has been prepared in accordance with Modern Dairy's Sustainable Finance Framework (the "Framework"). Under the Framework, the net proceeds may be used to finance new Eligible Assets or refinance existing Eligible Assets. For this Sustainability Bond, eligible expenditure was compiled on a calendar-month basis, and the refinancing look-back period commenced in July 2023.

As of 31 December 2025, 100% of the net proceeds had been allocated to Eligible Assets, and no unallocated proceeds remained.

2. Sustainability Bond Information

Item	Details
Issuer	China Modern Dairy Holdings Ltd.
Instrument	Senior unsecured sustainability bond
Issue date	10 July 2025
Principal amount	USD350 million
Coupon rate	4.875% per annum
Maturity date	10 July 2030
ISIN	XS3099223284
Net proceeds	USD 347,812,500
RMB equivalent of net proceeds	RMB 2,444,704,500
Exchange rate applied	USD1 = RMB 7.0288
Allocation status as of 31 December 2025	Fully allocated
Unallocated proceeds	Nil

The net proceeds denominated in United States dollars were translated into Renminbi using the USD/CNY central parity rate of 7.0288 as of 31 December 2025. Differences in totals may arise due to rounding.

3. Allocation of Proceeds

Modern Dairy notionally allocated an amount equal to the net proceeds from the Sustainability Bond to finance or refinance Eligible Green and Social Assets in accordance with the Framework.

3.1 Allocation by eligible category

The following table presents the allocation of the net proceeds by eligible project category. For allocation reporting purposes, eligible expenditure was compiled and classified on a calendar-month basis. Eligible expenditure incurred from July 2023 to June 2025 was classified as refinancing, while eligible expenditure incurred from July to December 2025 was classified as financing.

Type	Eligible project category	Refinancing: Jul 2023–Jun 2025	Financing: Jul 2025–Dec 2025	Total allocation as of 31 Dec 2025	Proportion of total allocation
Green	Environmentally sustainable management of living natural resources and land use	RMB 1,479.0 million	RMB 290.2 million	RMB 1,769.2 million	71.9%
Green	Renewable energy	RMB 71.0 million	RMB 16.9 million	RMB 87.9 million	3.6%
Social	Employment generation	RMB 133.8 million	RMB 468.8 million	RMB 602.5 million	24.5%
Total		**RMB 1,683.7 million**	**RMB 775.9 million**	**RMB 2,459.6 million**	**100.00%**

Note: Individual amounts have been rounded to the nearest RMB0.1 million. Accordingly, the sum of the rounded amounts may not equal the reported totals.

Refinancing represented 68.5% of the total allocated net proceeds, while financing represented 31.5%.

3.2 Allocation status

As of 31 December 2025:

- 100% of the net proceeds had been allocated to Eligible Assets;
- the aggregate eligible project costs and expenditure were no less than the allocated net proceeds;
- no Eligible Asset or eligible expenditure was double counted;
- no proceeds were allocated to activities included in the exclusion criteria under the Framework; and
- no unallocated proceeds remained.

4. Eligible Assets

The Sustainability Bond proceeds were allocated to the following activities, as applicable:

Eligible project category	Eligible activities financed or refinanced
Environmentally sustainable management of living natural resources and land use	Procurement of deforestation-free soybean meal and the use of canola meal as a feed substitute
Renewable energy	Construction, installation, operation and maintenance of biogas facilities
Employment generation	Procurement of silage from rural households and cooperatives to support employment and income generation for local farmers

Modern Dairy confirms that all Eligible Assets met the relevant eligibility requirements under the Framework and applicable Market Standards and were evaluated, selected and approved in accordance with the project evaluation and selection process set out in the Framework.

5. Environmental and Social Impacts

The following tables present the principal environmental and social impact indicators associated with the relevant Eligible Assets. The indicators are based on actual operational data for the period from July to December 2025, compiled in accordance with the Company's monthly reporting cycle. They do not represent cumulative impacts for the entire financing or refinancing period. Only indicators for which reliable data were available are reported.

5.1 Environmental impacts

Eligible project category	Impact indicator	Result for July–December 2025
Environmentally sustainable management of living natural resources and land use	Percentage of zero-deforestation soybean meal in total soybean meal procurement	36.7%
	Percentage of soybean meal replaced by canola meal	14.3%
Renewable energy	Biogas production	73,712,891.4 m^3
	Electricity generated from biogas	10,603.7 MWh
	GHG emissions reduced or avoided	340,686.3 metric tonnes CO_2e

5.2 Social Impacts

Eligible project category	Impact indicator	Result for July–December 2025
Employment generation	Number of jobs created for rural farmers	5,011 jobs
	Total silage procured from rural households	879,022 tonnes

6. Impact Reporting Methodologies

The environmental and social impact indicators presented in Section 5 cover the period from July 2025 to December 2025 and were calculated using the methodologies and assumptions set out below.

6.1 Zero-deforestation Soybean Meal

The percentage of zero-deforestation soybean meal in total soybean meal procurement was calculated as follows:

$$\text{Percentage of zero-deforestation soybean meal} = \frac{\text{Zero-deforestation soybean meal procured}}{\text{Total soybean meal procured}} \times 100\%$$

Eligible zero-deforestation soybean meal was identified based on procurement records and relevant supplier certification.

6.2 Canola Meal Substitution

Canola meal was converted into a soybean meal equivalent on an equal-protein basis. Based on the respective protein content of soybean meal and canola meal, one unit of soybean meal was considered equivalent to 1.2 units of canola meal.

The percentage of soybean meal replaced by canola meal was calculated as follows:

$$\text{Soybean meal replacement percentage} = \frac{\text{Canola meal procured}/1.2}{(\text{Canola meal procured}/1.2) + \text{Soybean meal procured}} \times 100\%$$

The calculation was based on the quantities of soybean meal and canola meal procured during the reporting period and the equal-protein conversion ratio described above.

6.3 Biogas Production and Electricity Generation

Biogas production and electricity generated from biogas were determined based on meter readings and operating records during the reporting period.

6.4 GHG Emissions Reduced or Avoided

GHG emission reductions were calculated with reference to the UNFCCC Clean Development Mechanism methodology ACM0010 Version 08.0, “Large-scale Consolidated Methodology: GHG emission reductions from manure management systems.” The baseline manure management scenario was an uncovered anaerobic lagoon.

The reported emission reductions included avoided methane emissions from the collection and utilisation of biogas and avoided emissions from the displacement of grid electricity and fossil fuel-based heat, net of relevant project and leakage emissions.

The overall GHG emission reductions were calculated as follows:

$$\text{GHG emission reductions} = \text{Baseline emissions} - \text{Project emissions} - \text{Leakage emissions}$$

Avoided emissions from electricity generation were calculated as follows:

$$\text{Avoided emissions from electricity generation} = \text{Electricity generated from biogas} \times \text{Applicable grid emission factor}$$

Avoided emissions from heat generation were calculated as follows:

$$\text{Avoided emissions from heat generation} = \text{Useful heat generated from biogas} \times \text{Applicable baseline fossil fuel emission factor}$$

The national average electricity emission factor published by the Ministry of Ecology and Environment of the People's Republic of China and the applicable emission factor for the baseline fossil fuel were used in the calculation.

6.5 Jobs Created for Rural Farmers

The number of jobs created for rural farmers was determined based on information collected from the relevant rural cooperatives participating in the eligible silage procurement programme during the reporting period.

6.6 Silage Procured from Rural Households

The total amount of silage procured from rural cooperatives was determined based on relevant procurement and supporting records during the reporting period.

7. Management of Proceeds

Modern Dairy maintained a Register to record and monitor:

- the eligible project category;
- the relevant eligible project cost or expenditure;
- the amount allocated to each Eligible Asset;
- whether the allocation represented financing or refinancing; and
- any unallocated proceeds.

The Register was reviewed by the Green Financing Working Group. As of 31 December 2025, the Sustainability Bond proceeds had been fully allocated, and no unallocated proceeds remained.

Modern Dairy services its obligations under the Sustainability Bond from its general cash flows and not solely from revenues generated by the Eligible Assets.

8. External Review

8.1 Pre-issuance review

Moody's Ratings provided a Second Party Opinion on Modern Dairy's Sustainable Finance Framework. The Framework and Second Party Opinion are available on Modern Dairy's website.

8.2 Post-issuance limited assurance

Modern Dairy engaged Ernst & Young, Hong Kong ("EY") to perform a limited assurance engagement in relation to the Company's use of proceeds, process for evaluation and selection, management of proceeds and reporting of the Sustainability Bond for the period from 10 July 2025 to 31 December 2025 contained in the Report.

EY conducted its engagement in accordance with ISAE 3000 (Revised). The criteria applied for the assurance engagement comprised the core components of ICMA's Green Bond Principles 2025 and Social Bond Principles 2025.

Based on the procedures performed and evidence obtained, EY stated that it was not aware of any material modifications that should be made to the subject matter for the period from 10 July 2025 to 31 December 2025 in order for it to be in accordance with the applicable criteria.

EY's independent limited assurance report is subject to the restricted-use provisions contained therein.

9. Management Confirmation

Management confirms that the allocation and impact information contained in this Report has been prepared, in all material respects, in accordance with Modern Dairy's Sustainable Finance Framework and the reporting basis described herein.

For and on behalf of
China Modern Dairy Holdings Ltd.

朱晓辉

Name: Zhu Xiaohui
Title: Executive Director
Date: 24 September 2026

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Independent Limited Assurance Report in relation to China Modern Dairy Holdings Ltd's 2025 Sustainability Bond

To the Management of China Modern Dairy Holdings Ltd

Scope

We have been engaged by China Modern Dairy Holdings Ltd (the "Company") to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on the Company's use of proceeds, process for evaluation and selection, management of proceeds and reporting of the sustainability bond (the "Subject Matter"), for the period from 10 July 2025 to 31 December 2025 contained in the Company's 2025 Sustainability Bond Allocation and Impact Report (the "Report").

Criteria applied by the Company

In preparing the Subject Matter, the Company applied the core components of the Green Bond Principles 2025 and Social Bond Principles 2025 published by the International Capital Market Association (the "Criteria"). Such Criteria were specifically designed for the preparation of the Subject Matter included in the Report and as a result, the subject matter information may not be suitable for another purpose.

Inherent limitations

There are inherent limitations in performing assurance. Assurance engagements are based on selective testing of the information being examined, and it is possible that fraud, error, or non-compliance may occur and not be detected.

Our assurance was limited to the Subject Matter set out for the period from 10 July 2025 to 31 December 2025. We have only sought evidence to support key information and data related to the Subject Matter and our responsibility does not include:

- Any work in respect of ESG information published elsewhere in the Company's annual report, website and other publications; and
- Forward-looking statements made by the management.

The Company's responsibilities

The Company's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000 (Revised)'), and the terms of reference for this engagement as agreed with China Modern Dairy Holdings Ltd on 9 February 2026.Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the *Code of Ethics for Professional Accountants* issued by the Hong Kong Institute of Certified Public Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements*, or *Other Assurance or Related Services engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management’s internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject matter and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- Conducted interviews with selected management and personnel to understand the business and reporting process;
- Conducted interviews with selected personnel to understand the process for collecting, collating and reporting the Subject Matter during the reporting period;
- Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria;
- Undertook analytical procedures of the data and made inquiries of management to obtain explanations for any significant differences we identified;
- Identified and testing assumptions supporting calculations; and

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- Tested, on a sample basis, underlying source information to check the accuracy of the data.

Conclusion
Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to Subject Matter for the period from 10 July 2025 to 31 December 2025, in order for it to be in accordance with the Criteria.

Restricted use
This report is intended solely for the information and use of the Company, and is not intended to be and should not be used by anyone other than those specified parties.

Ernst & Young

Ernst & Young
Hong Kong
24 September 2026