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# China Modern Dairy Holdings Ltd. Roadshow Presentation June 2025

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# Issuance Summary

<b>Issuer</b>	China Modern Dairy Holdings Ltd. (1117.HK)
<b>Issuer Ratings</b>	S&P: BBB (Stable)
<b>Expected Issue Ratings</b>	S&P: BBB
<b>Format</b>	Reg S only (Category 1), Registered Form
<b>Type</b>	Senior Unsecured Fixed Rate Bonds (the "Bonds")
<b>Currency</b>	USD
<b>Tenor</b>	5-year
<b>Use of Proceeds</b>	The Issuer intends to use the proceeds from the offering of the Bonds for refinancing. An amount equal to the net proceeds from the offering of the Bonds will be allocated for refinancing the Eligible Assets as further described in the Issuer's Sustainable Finance Framework
<b>Change of Control Put</b>	101%
<b>Optional Redemption</b>	Make Whole Call; Par Call: 1 month prior to maturity
<b>Listing</b>	The Stock Exchange of Hong Kong Limited
<b>Governing Law</b>	English Law
<b>Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers</b>	Barclays, BOC International, China Construction Bank (Asia), DBS Bank Ltd.
<b>Joint Bookrunners and Joint Lead Managers</b>	BOCOM International, CITIC Securities, CCB International
<b>B&amp;D Bank</b>	DBS Bank Ltd.
<b>Joint Sustainability Structuring Advisors</b>	Barclays, BOC International, DBS Bank Ltd.
<b>SPO Provider</b>	Moody's Ratings



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# 01

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## Company Overview

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## Business Overview

China Modern Dairy Holdings Ltd. ("We", "CMD" or the "Company") is the leading dairy farming and raw milk producer in China, and the largest raw milk supplier to Mengniu.

### Company Overview

- We maintain a leading position in China's dairy farming and raw-milk production
- We pioneered the integrated "Planting-Breeding-Processing" model and were the first in China to obtain SGS certification
- We received an MSCI ESG Rating of "A" in 2025, the highest among China's livestock companies
- We have won the Monde Selection Gold Prize, known as the "Nobel Prize" of the food industry, for 12 consecutive years<sup>1</sup>
- We have built a full value-chain layout, expanding into digital platforms, feed, forage and breeding

### Shareholder Support

- China Mengniu Dairy Company Limited ("Mengniu" or "Mengniu Group") holds a 56.36%<sup>2</sup> stake, and remains our largest shareholder
- We entered a raw-milk offtake agreement with Mengniu in 2008 and extended it to 2028
- From 2022 to 2024, we supplied 92.7 % of our raw milk to Mengniu, covering more than 30% of its total procurement
- COFCO Corporation ("COFCO"), Mengniu's strategic shareholder and one of our top three raw-material suppliers, provides us with cost-advantaged feed support

**47** farm companies  
under operation<sup>2</sup>  
**13** provinces and  
autonomous regions  
covered<sup>2</sup>

**491,169** dairy  
cows in herd<sup>2</sup>  
**51%** proportion of  
milkable cows<sup>2</sup>

**3.01** million tonnes  
of raw milk in 2024  
**12.8** tonnes annual  
milk yield per milkable  
cow in 2024

RMB **13.3** billion  
revenue in 2024  
**3.8%** CAGR in  
revenue (2022-2024)

RMB **3.0** billion cash  
EBITDA in 2024  
**24** basis points  
increase in cash EBITDA  
margin (2022-2024)



Source: Annual Report of CMD

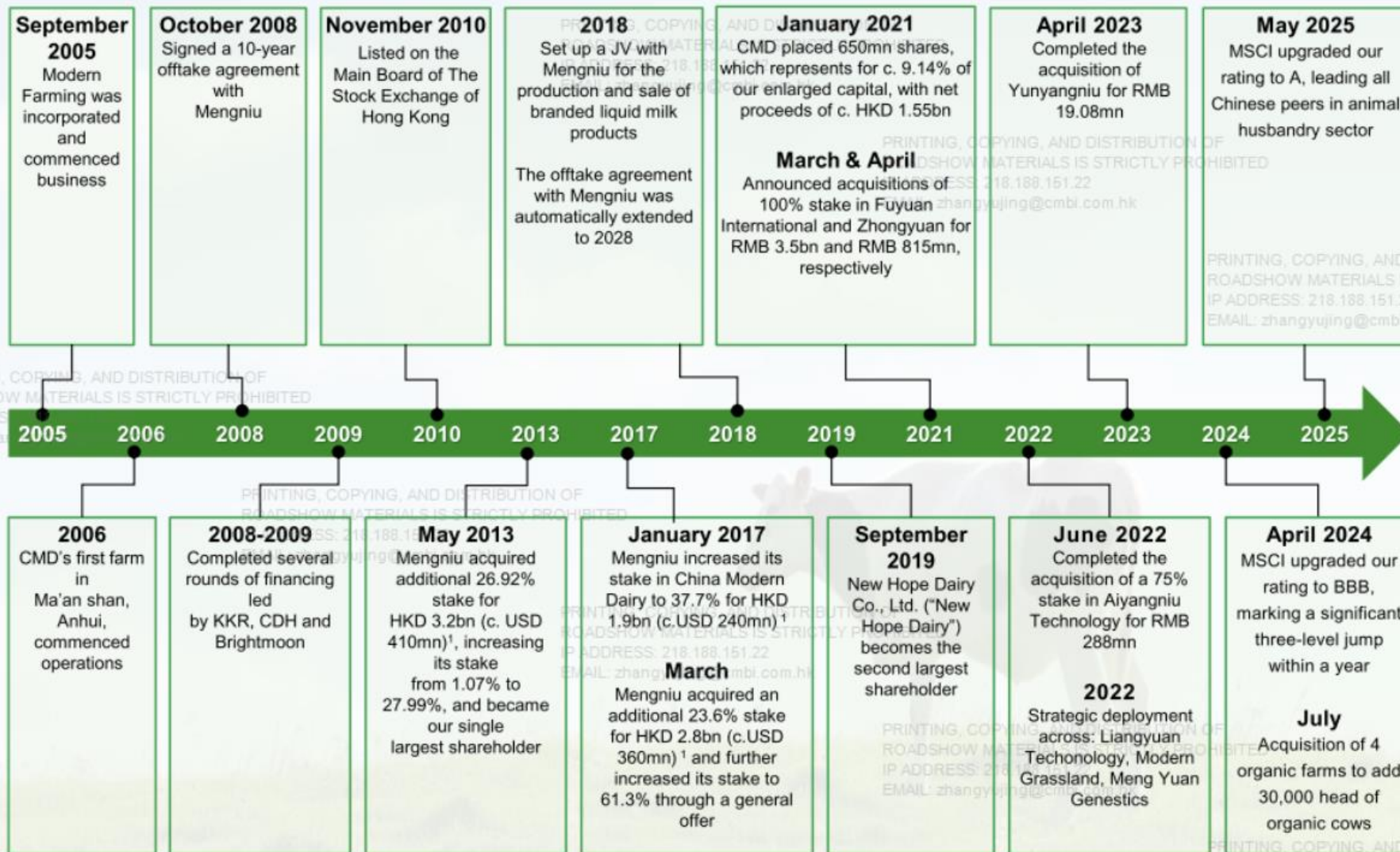
1. As of 31 May 2025

2. As of 31 December 2024



## Milestones

Since the establishment, we have deepened collaboration with Mengniu while expanding new business segments and has built a full dairy industry chain that lays a solid foundation for long-term sustainable growth.



Source: Annual Report of CMD

1. Exchange rate: HKD 1 = USD 0.129 in May 2013, Jan 2017 and Mar 2017



## Industry Position and Scale Growth



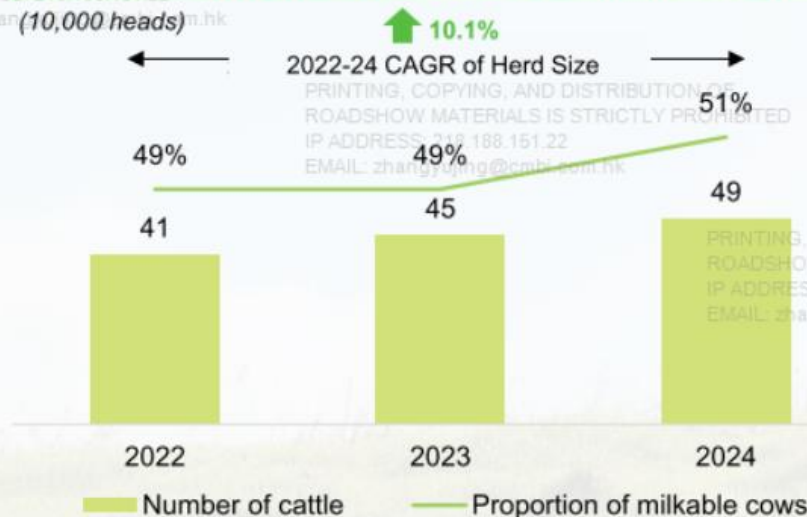
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With our dominant scale advantage, we continue to deliver solid and robust growth, securing our leading position in the industry.

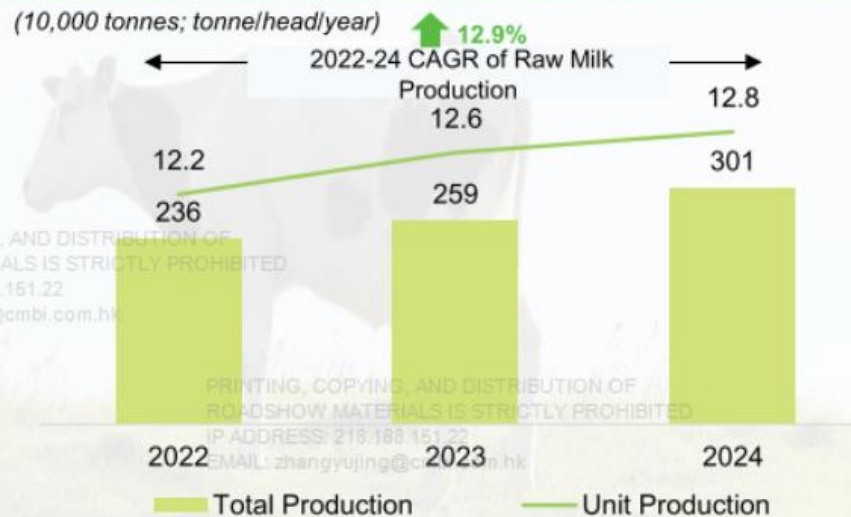
### Dairy Cow Inventory and Milk Production Rankings Nationwide

Rank	Group Name	Herd Size (10,000 heads)	Raw Milk Output (10,000 tonnes)
1	China Youran Dairy Group Limited	62.2	374.7
2	<b>China Modern Dairy Holdings Ltd.</b>	<b>49.1</b>	<b>300.5</b>
3	Hebei Leyuan Animal Husbandry Co., Ltd.	20.0	120.0
4	Ningxia Nongken Dairy Co., Ltd.	15.2	91.7
5	China Shengmu Organic Milk Limited	14.4	76.0

### Steady Growth in Herd Size and Milkable Cow Ratio



### Total Milk Yield and Per-Cow Yield on the Rise



Source: Holstein 2025 China Dairy Statistics

As a leading dairy farming enterprise in China, we hold significant strategic advantages in farm footprint and has established deep value chain integration with key customers.

## Strategic Farm Placement Adjacent to Dairy Plants



## Farm Distribution Advantage and Strategic Synergy

### Our Farm Distribution Advantages

- Scientific Siting:** Building a nationwide footprint strategically to secure a stable supply of high-quality raw milk
- Centralized Management:** Running centralized clusters of large-scale, smart farms to raise operating efficiency
- Quality Control:** Applying end-to-end digital monitoring to guarantee that our raw milk is safe, fresh and high-quality
- Sustainability:** Focusing on ecological environment protection and advance green dairy farming for sustainable growth
- Market Proximity:** Positioning farms close to consumption hubs, cutting raw-milk transport time to a minimum

### Strategic Collaboration with Mengniu

- Deep Integration:** Through close alignment with Mengniu, we have built an integrated "Planting-Breeding-Processing" value chain
- Complementary Strengths:** Mengniu's quality standards + our large-scale capacity = enhanced dairy quality
- Stable Supply:** The partnership with Mengniu secures a stable supply of premium milk; our farms sit next to Mengniu plants, enabling efficient production of fresh dairy products and help boosting Mengniu's competitiveness
- Industry Leadership:** Together they set an industry benchmark, upgrading China's entire dairy chain and delivering a safe, farm-to-table closed loop

47 Dairy farming companies<sup>1</sup>

13 Provinces and autonomous regions covered<sup>1</sup>

491,169 dairy cows<sup>1</sup>



## Awards and Honors

Since our establishment, we have consistently upheld raw-milk quality, driven technological innovation, and embraced our industry mission and social responsibility. We have won the Monde Selection Gold Prize for 12 straight years<sup>1</sup> and garnered numerous domestic and international certifications and awards.



### Won numerous national and international certifications and awards

 <p>Awarded the <b>Monde Selection Gold Quality Award</b> for 12 consecutive years<sup>1</sup></p>	 <p>Awarded the title of <b>National Agricultural Standardization Demonstration Zone</b> by the Ministry of Agriculture and Rural Affairs (MARA)</p>	 <p>Awarded the title of <b>National Key Leading Enterprise</b> by the Ministry of Agriculture and Rural Affairs (MARA)</p>	 <p>Awarded the <b>Second-Class Prize</b> of the <b>National Scientific and Technology Progress Award</b></p>	 <p>Awarded the title of <b>Agricultural and Rural Informatization Model Base</b> by the Ministry of Agriculture and Rural Affairs (MARA)</p>
 <p>Certified under the "<b>High-Quality Milk Engineering Program</b>"; The world's first farm to achieve "<b>High-Quality Milk Engineering-Premium Grade</b>" certification</p>	 <p>Awarded the "<b>DEI Employer Brand Award</b>" for two consecutive years<sup>1</sup></p>	 <p>Achieved <b>ISO 14064 Certification</b> for <b>four consecutive years</b><sup>1</sup> pioneering green transformation across the full industrial chain</p>	 <p>Selected for the "<b>ESG Pioneer 100 Index for Central SOEs</b>" for two consecutive years<sup>1</sup></p>	



### Multiple Industry-Leading No.1 Positions

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>First to establish a 10,000-cow dairy farm</li> <li>First to make dairy cow collateralized loans</li> <li>First to introduce the "Planting-Breeding-Processing" integrated model</li> <li>First large-scale farm to insure its dairy herd</li> <li>First to establish a nationwide farm footprint across north China to south China</li> <li>First to IPO with core dairy cow assets</li> </ul> | <ul style="list-style-type: none"> <li>First to build Asia's <b>largest</b> single-site dairy farm (Bengbu Farm)</li> <li>First to win Monde Selection Gold Award for 12 consecutive years<sup>1</sup></li> <li>First dairy group to pass the assessment of the High-Quality Milk Engineering Program</li> <li>First livestock enterprise awarded "DEI Employer Brand &amp; Happy Workplace" dual honors</li> <li>No. 1 livestock value-chain trading platform in product range and service scale (Aiyangniu Technology)</li> <li>First to implement "One Farm, One Grassland" pasturing system</li> </ul> |
|--|--|

# Shareholding Structure

As our largest strategic shareholder, Mengniu Group is deeply intertwined with us in terms of shareholder interests, corporate development, governance culture, and even board structure; Other strategic shareholders also provide strong support through business synergies.



Source: Annual Report of CMD  
1. As of 31 December 2024 ;  
2. HKD 3.2bn (2013 acquisition of shares) + HKD 1.9bn (2017 acquisition of shares) + HKD 2.8bn (2017 acquisition of shares) - HKD 41.4mn (2017 divestment of shares)  
= HKD 7.9bn (USD 1bn).





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## Strategic Partnership with Mengniu

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# CMD Provides Stable Milk Supply for Mengniu



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With high-quality raw milk and large-scale farms in short supply, major dairy groups are investing to gain tighter control over premium raw-milk sourcing. We hold a leading market position and are the largest strategic milk supplier to Mengniu, with an irreplaceable status.

Ranking of Large-scale Dairy Farms (Ranked by Total Herd)

Rank	Enterprise	2024 Herd Size (10,000 heads)	2024 Milk Yield (10,000 tonnes)	Strategic Capitalization	Core Customer
1	China Youran Dairy	62.2	374.7	Yili	Yili
2	China Modern Dairy	49.1	300.5	Mengniu	Mengniu
3	Hebei Leyuan Animal Husbandry	20.0	120.0	Junlebao	Junlebao
4	Ningxia Farming Cultivate Helanshan Dairy	15.2	91.7	State-owned Assets Supervision and Administration Commission of Ningxia	Mengniu, Yili
5	China Shengmu Organic Milk	14.4	76.0	Mengniu	Mengniu
6	AustAsia Group	12.2	-	Meiji Dairy, New Hope	Meiji
7	Bright Farming	11.8	-	Bright Food	Bright Food
8	Yuexiu Huishan	11.0	-	-	-
9	YuanShengTai Dairy Farm	10.7	55.0	Feihe	Feihe
10	Adopt a Cow Holdings	10.1	-	-	-

30%+ of fresh  
milk from CMD

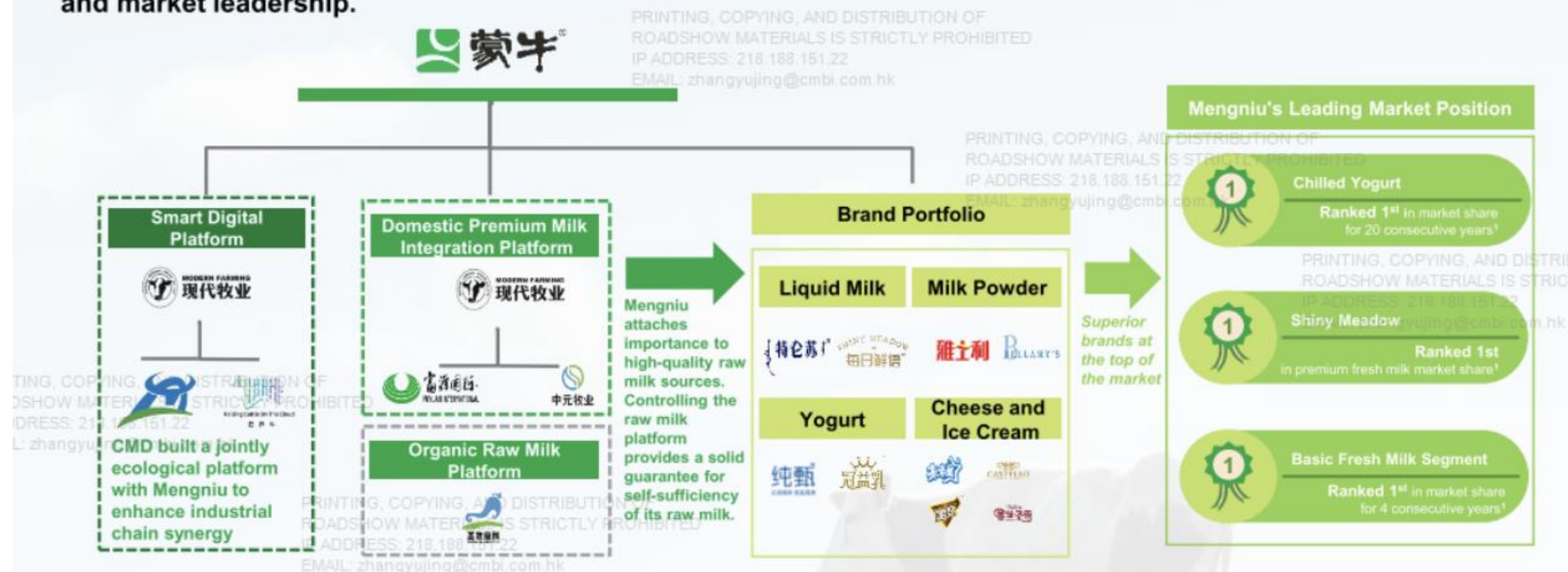


## CMD Helps Mengniu Maintain a High-Quality Brand Image



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As Mengniu's core raw milk supplier, we apply high-standard end-to-end controls and supply high-quality raw milk to Mengniu, strengthening Mengniu's product-quality assurance and reinforcing its premium brand image and market leadership.



### Mengniu Continues to Strengthen Partnership with us Through Equity Stake Increase



Source: Annual Report of CMD, Annual Report of Mengniu

1. As of 31 May 2025

2. Exchange rate: HKD 1 = USD 0.129 in May 2013, Jan 2017 and Mar 2017

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# CMD Continuously Support Mengniu's Business Development



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As a core raw milk supplier to Mengniu, we consistently support Mengniu's high-quality business growth and the consolidation of our industry leadership through premium milk supply, technological collaboration, and green upgrading initiatives.

## Core Driving Strategies

### 1 Premium Milk: Milk Deluxe Continuously Leads the Market

- **Primary Support:** By sourcing exclusively from dedicated farms and adhering to the industry's highest standards in raw milk selection and production processes, Milk Deluxe delivers superior nutritional quality, ensuring its milk is all-natural and free from contamination
- **Market Performance:** In 2024, Milk Deluxe's performance exceeded expectations. It stands as the largest single product not only in the global dairy industry but also within China's Fast-Moving Consumer Goods (FMCG) sector, demonstrating robust counter-cyclical capabilities and resilience



### 2 Fresh Milk Business: Shiny Meadow Leads in Premium Fresh Milk Market Share<sup>1</sup>

- **Core Contribution:** We employ "2-Hour Freshness Lock" processing technology to ensure that Shiny Meadow's active nutrients, such as lactoferrin and immunoglobulin, leading the industry in content levels. Milk sourced exclusively from our own farms reaches the processing plant within 72 hours, guaranteeing exceptional freshness
- **Market Performance:** In 2024, Shiny Meadow achieved over 20% year-on-year sales growth, firmly maintaining its number one<sup>1</sup> share position in the premium fresh milk market. The newly launched "4.0g Protein Fresh Milk" emerged as the primary growth driver



### 3 Organic Milk: The Organic Products of Both Milk Deluxe and Shiny Meadow Achieve Strong Growth

- **Core Contribution:** We have established organic feed formulations and breeding protocols, creating a comprehensive, exclusive organic supply chain encompassing organic crop cultivation, organic livestock farming, and organic processing. A traceable input management system further ensures the all-natural and pollution-free quality of the organic milk
- **Market Performance:** Mengniu continues to advance its multi-category organic product strategy. Both Milk Deluxe Organic Milk and the Shiny Meadow Organic Series registered strong growth, further solidifying Mengniu's leadership in the premium organic dairy market







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# 03

## Credit Highlights

# Credit Highlights



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1

**Global Leader Among Dairy Farming Enterprises, with First-class Operating Model Ensuring the High Quality of the Raw Milk**

2

**Coexistence of Industry Challenges and Opportunities, and Changes in Supply and Demand Favoring Large Dairy Farming Enterprises**

3

**Strategic Raw Milk Supplier to Mengniu, and Pursuing Synergies and Mutual Growth**

4

**Steady Improvement in Internal Efficiency and Operational Performance**

5

**Comprehensive Value Chain Layout to Drive further Profit Growth**

6

**Diversified Financing Channels with Continuous Optimisation of the Debt Structure**

7

**Experienced Management Team and Sound Corporate Governance**



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1

## Global Leader Among Dairy Farming Enterprises, with First-class Operating Model Ensuring the High Quality of the Raw Milk



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Through our integrated "Planting-Breeding-Processing" model, we achieve fully closed-loop management. This enables us to produce raw milk of a quality that significantly surpasses both Chinese and EU industry standards, thereby establishing a strong competitive edge in the premium dairy market.

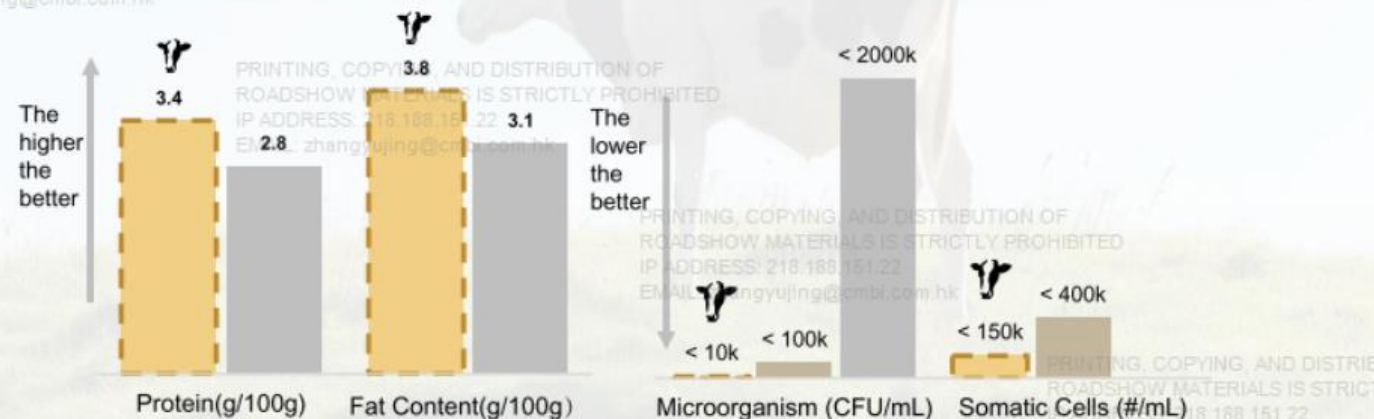
Feed Quality	Dairy Cow Quality	Milking Processing Quality	Storage and Logistics
<ul style="list-style-type: none"> <li>Operates self-owned planting bases to ensure feed is safe and free from pollution</li> <li>Utilizes scientifically tailored nutritional formulas to comprehensively improve milk quality</li> <li>Strictly prohibits the use of hormones and banned additives</li> </ul>	<ul style="list-style-type: none"> <li>We import top-quality Holstein cows from Australia and New Zealand, apply genomic screening to enhance genetic traits, and build a high-yield nucleus herd</li> <li>Temperature-controlled barns and automated spray systems help reduce heat stress; regular hoof bathing, vaccinations, and performance monitoring ensure optimal dairy cow health</li> </ul>	<ul style="list-style-type: none"> <li>Utilizes fully enclosed milking systems from leading international brands, with standardized operating procedures</li> <li>Blockchain technology ensures end-to-end transparency and control, enabling each batch of raw milk to be traced back to the individual cow and exact milking time</li> </ul>	<ul style="list-style-type: none"> <li>Cool raw milk to below 4 degrees Celsius within 2 hours after milking to inhibit the growth of bacteria</li> <li>Temperature-controlled storage tanks and milk transport vehicles with real-time temperature monitoring ensure cold chain integrity throughout the entire journey from farm to factory</li> <li>Most of our farms are located close to processing plants, creating a "2-hour eco-circle" that preserves maximum freshness</li> </ul>

Jointly Building Leading Quality

### Quality and Safety Double Improvement

High-standard Certification

High Quality Raw Milk Well Exceeds Industry Standards



Source: Annual Report of CMD; Public Information

CMD Chinese Industry Standard EU Industry Standard

## Coexistence of Industry Challenges and Opportunities, and Changes in Supply and Demand Favoring Large Dairy Farming Enterprises



Driven by the dual engines of ongoing capacity rationalization and dairy product portfolio optimization, alongside recovering global dairy prices and favorable policy support, the dairy industry is witnessing more balanced supply-demand dynamics, structural upgrading, and moderate price recovery.

### Capacity Rationalization Drives Market Rebalancing

- The exit of small and medium sized dairy farms, coupled with production control at large-scale operations, has accelerated industry-wide capacity adjustment. As a result, raw milk production has recorded its first year-on-year decline since 2018

### Elevating Per Capita Consumption & Optimizing Product Structure

- Per capita dairy consumption in China stands at 42.5 kilograms-only 37% of the global average. Efforts are being made to promote specialty milk products and student milk program, and to shift consumption habits from primarily "drinking milk" to also "eating dairy"

### Recovering Global Prices & Declining Milk Powder Imports

- The rise in global dairy prices and the temporary oversupply of domestic raw milk have led to a three-year decline in import volumes. The price reversals have reduced external pressures, providing a stable environment for the domestic market

### Sustained Policy Support and Enhancement of Quality Standards

- A series of policies continue to encourage dairy consumption and support the development of the dairy industry, driving the sector's transformation toward higher quality and greater sustainability

2021

The national "14th Five-Year Plan" prioritizes the Dairy Industry Revitalization Project, explicitly supporting the development of a comprehensive dairy standard system to enhance quality governance

2024.6

The National Development and Reform Commission (NDRC) introduced measures to stimulate dairy consumption among infants and the elderly, positioning these segments as key growth drivers for the industry

2024.10

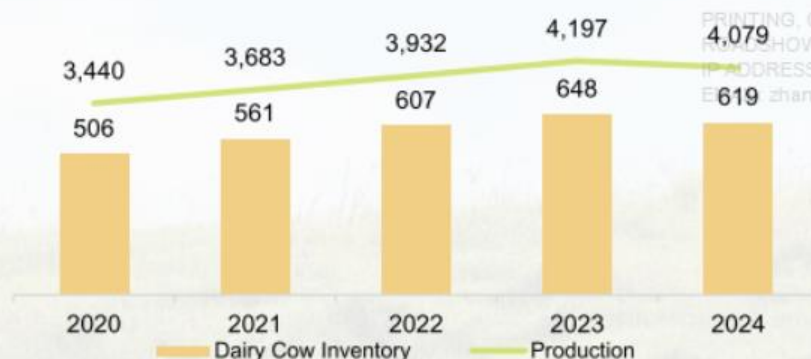
Seven ministries jointly issued a directive to stabilize dairy and beef cattle production. Encouraged "Student Milk Program" and local governments to implement consumption voucher schemes to boost milk demand

2025.3

The new sterilized milk standard was issued, which clearly prohibits the use of reconstituted milk. This policy aims to promote quality improvement in dairy products and increase the consumption of fresh milk

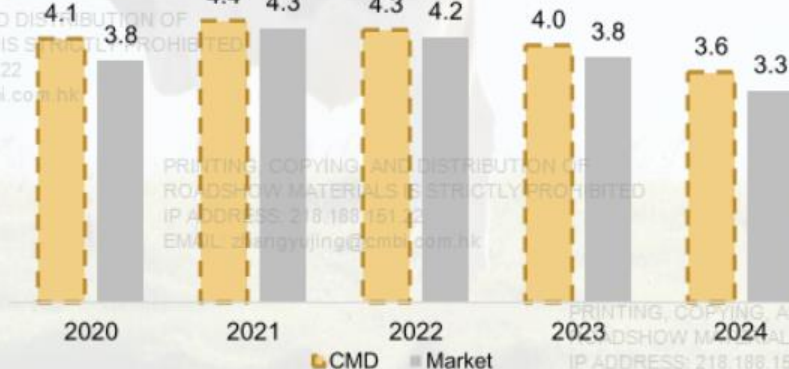
### China's Cow Inventory and Milk Yield Declining Since 2024<sup>1</sup>

(10,000 tonnes; 10,000 heads)



### CMD's Raw Milk Price Consistently Remained Above the Market Average

(RMB/kg)



Source: Ministry of Agriculture and Rural Affairs of China, National Bureau of Statistics; Annual Report of CMD

1. As of 31 May 2025, the dairy cow inventory was 6.048mn heads, a year-on-year decrease of 5%



## Strategic Raw Milk Supplier to Mengniu, and Pursuing Synergies and Mutual Growth



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Through comprehensive strategic collaboration with Mengniu, we have realized significant synergies across sales, procurement, quality control, resource utilization, and corporate management.



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### Raw Milk Sales



- CMD entered into a **raw-milk supply agreement** with Mengniu in 2008, and extended it to 2028 in 2018
- During 2022-2024, Mengniu accounted for an average of 92.7% of CMD's raw milk sales volume while CMD supplies more than 30 % of Mengniu's total raw-milk procurement

### Capital Coordination



- Mengniu provided **financial support** amounting to RMB 5.4bn, including a long-term entrusted loan credit line of RMB 1bn, a factoring financing loan of RMB 1.4bn, and a supply chain financing line of RMB 3.0bn
- CMD received support from Mengniu in the form of comfort letters for a total of USD 500mn offshore bank loan in 2017 and 2018
- CMD benefits from leveraging Mengniu's close relationship with banks, and enjoy lower financing costs

### Procurement Coordination



- As a major shareholder of **Aiyangniu**, we leverage its centralized-procurement platform to raise purchasing efficiency and lower costs
- COFCO**, Mengniu's strategic shareholder, is not only one of Modern Dairy's largest suppliers but has also established a joint venture, Modern Feed, with the Company. This effectively maintains the Company's highly competitive low raw material costs and creates a closed-loop 'feed-farming-milk' industry chain

### Quality Control Coordination



- CMD unifies inspection standards and processes to improve detection efficiency
- CMD streamlines repeated inspection items to reduce inspection costs

### Brand Liquid Milk Business Cooperation



- In April 2018, Mengniu acquired a 50% stake in **CMD's branded liquid-milk business** and took over its operation
- CMD's farms are located in close proximity to Mengniu's processing plants to improve production efficiency and reduce cost
- CMD can leverage Mengniu's brand operation and sales experience, as well as extensive sales channels
- CMD complements Milk Deluxe and Shiny Meadow, and makes full use of CMD's processing edge

### Acquisition



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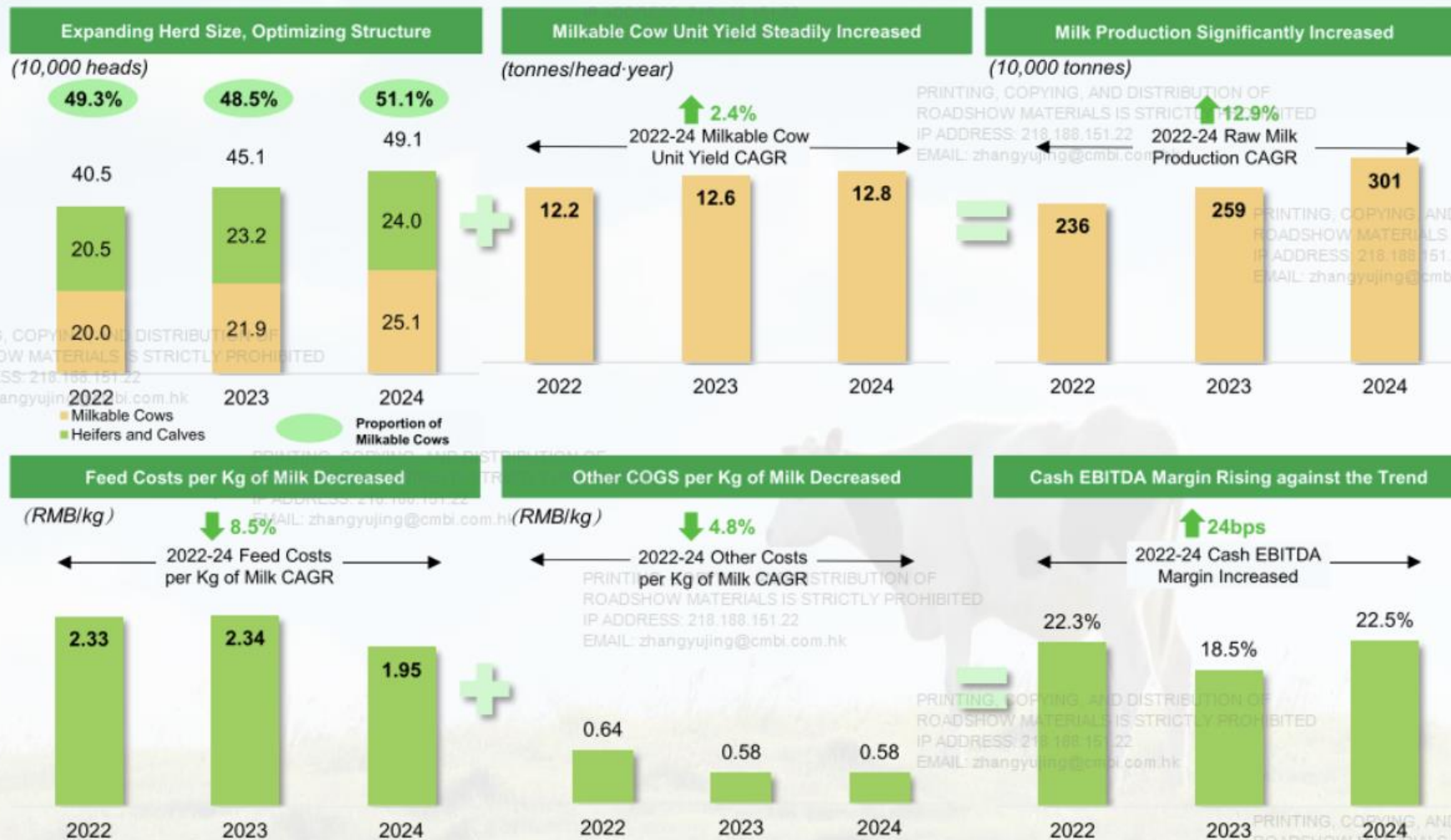
- In 2021, CMD acquired all shares of **Fuyuan International and Zhongyuan Dairy**, further consolidating the company's leading position in the industry and expanding the national distribution network. Both transactions received full support from Mengniu, including partial payment through share issuance and financing support
- In 2022, CMD acquired **Aiyangniu**. CMD and Mengniu respectively hold 75% and 25% stakes in Aiyangniu

## Steady Improvement in Internal Efficiency and Operational Performance



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By increasing the proportion of milkable cows and improving the milkable cow unit yield, as well as optimizing feed formulation and cost control, we have achieved production growth and continuous improvement in profit margins despite the overall industry pressures.



Source: Annual Report of CMD



## Comprehensive Value Chain Layout to Drive further Profit Growth



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Building on our solid core business of raw milk, we have steadily expanded into feed, forage, breeding, and intelligent digital platforms, creating a comprehensive industry chain. This not only ensures high milk quality but also enhances efficiency for farmers and partner farms through digitalization and resource sharing, unlocking new growth opportunities.



### Forage Grass Platform

- Cumulative sales volume have **exceeded 1mn tonnes**
- We currently run **6 production plants** domestically, including **2 feed factories** and **4 pellet factories**
- 4 planting bases** have been established in China, covering a total land area of **66,000 mu**, with an annual output of **30,000 tonnes** of high-quality forage
- In four major U.S. states, high-quality alfalfa cultivation is strategically distributed across **3 processing and production bases**, supplying **200,000 tonnes** of premium forage annually

### Digital Intelligence Platform

- Aiyangniu's annual transaction volume has reached **RMB 32bn**
- The Yunyangniu covers **386 farms** and **1.52mn dairy cows**
- It precisely calculates cow feed demand and provides real-time data for production, breeding, and management

### Breeding and Cultivation

- Established **2** national core breeding farms for dairy cows
- Independently bred **15** pedigree bulls
- Developed the proprietary "Modern No.1" genomic liquid-phase chip for dairy cows, **filling the gap in commercial genome chips for cow domestically**
- Participated in the million-head dairy cow genetic improvement initiative in the Ningxia

## Diversified Financing Channels with Continuous Optimisation of the Debt Structure

We have established diversified financing channels and built strong, long-term relationships with domestic and international banks and financial institutions, ensuring ample liquidity support for our daily operations and ongoing development.

### Diversified Financing Channels

- **Sufficient Bank Credit Resources:** As of May 2025, the Group had secured total credit lines of RMB 21bn, with RMB 6.54bn remaining undrawn
- **Capital Market Bond Financing:** In January and April 2025, the Group's domestic non-wholly-owned subsidiary, China Modern Farming (Group), successfully issued RMB 200mn in domestic short-term financing notes and RMB 300mn in medium-term notes
- **Equity Financing and Strategic Cooperation:** In 2021, the Company completed a HKD1.45bn share placement, attracting long-term institutional capital and strengthening its balance sheet

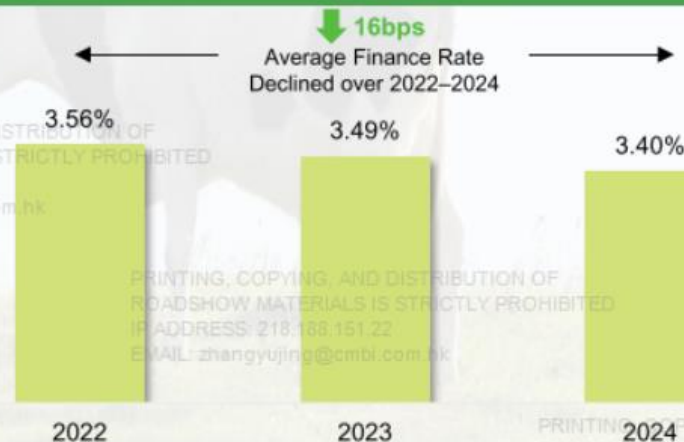
### Interest-bearing Borrowings Structure



### Main Cooperation Financial Institutions



### Finance Rate





## Experienced Management Team and Sound Corporate Governance



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At the board level, three directors seconded from Mengniu help ensure strategic alignment between the CMD and Mengniu. At the executive level, several members of our senior management previously served at Mengniu, further strengthening collaboration and synergies between the two enterprises.

Executive Directors	Non-Executive Directors	Senior Management
<p><b>Mr. Sun Yugang</b> </p> <ul style="list-style-type: none"> <li>• CEO</li> <li>• First joined us in 2007, served as the executive vice president in November 2019, and became the group CEO on June 30, 2022</li> <li>• Previously served as the financial and investment director of Mengniu's Inner Mongolia business, with extensive management and operation experience in corporate finance, international financing, corporate governance, investment, mergers and acquisitions and the dairy industry</li> <li>• Holds a Master of Business Administration degree from CEIBS</li> </ul> <p><b>Mr. Zhu Xiaohui</b></p> <ul style="list-style-type: none"> <li>• Vice President</li> <li>• Transferred to be the executive director and chief financial officer of the company in November 2021</li> <li>• Previously served as the vice president and board secretary of Fuyuan International. Before joining Fuyuan International, Mr. Zhu served as a senior executive in COFCO Group for nearly 18 years</li> <li>• Served as a senior management position at Dalian Wanda Group Inc., Ltd for about 4 years</li> <li>• Has nearly 30 years of experience in enterprise management, with rich experience in the dairy farming industry</li> </ul>	<p><b>Mr. Zhao Jiejun</b> </p> <ul style="list-style-type: none"> <li>• Chairman of the Board</li> <li>• Currently the person in charge of Mengniu's animal husbandry industry chain. Previously served as the region sales general manager of Mengniu, sales director, operation general manager, and planning and logistics general manager</li> <li>• More than 20 years of experience in the dairy product industry, with a master's degree in Information Engineering and Management from Beihang University</li> </ul> <p><b>Mr. Zhang Ping</b> </p> <ul style="list-style-type: none"> <li>• Currently the vice president and chief financial officer of Mengniu</li> <li>• More than 35 years of experience in the FMCG industry, with a master's degree in Management Engineering from Beijing Information Science and Technology University</li> </ul> <p><b>Mr. Chen Yiyi</b> </p> <ul style="list-style-type: none"> <li>• Currently the group vice president and head of strategic management of Mengniu</li> </ul> <p><b>Ms. Gan Lu</b></p> <ul style="list-style-type: none"> <li>• Joined us as a non-executive director in April 2020</li> <li>• More than 15 years of experience in the financial and investment field, with a master's degree in Business Administration from the University of Hong Kong</li> </ul>	<p><b>Mr. Guo Wenju</b> </p> <ul style="list-style-type: none"> <li>• Secretary of the Party Committee</li> <li>• Former deputy Secretary of the Party Committee of Mengniu</li> </ul> <p><b>Mr. Han Chunlin</b> </p> <ul style="list-style-type: none"> <li>• Vice President and the head of the second operation center of the group</li> <li>• Previously the marketing manager of Mengniu's Inner Mongolia liquid milk department</li> </ul> <p><b>Mr. Zhang Xue</b></p> <ul style="list-style-type: none"> <li>• Vice President and Chief Engineer of the Technical Department.</li> <li>• Previously served as the vice president and Chief Operating Officer of Fuyuan International</li> </ul> <p><b>Mr. Song Weizheng</b> </p> <ul style="list-style-type: none"> <li>• Vice President</li> <li>• Serves as the Chief Executive officer of Modern Forage</li> </ul> <p><b>Mr. Zhao Zunyang</b></p> <ul style="list-style-type: none"> <li>• Vice President and the head of first operation center of the group</li> <li>• Previously served as the of deputy general manager of the ranch, chief nutritionist and assistant vice president of the Group</li> </ul> <p><b>Ms. Yuan Li</b> </p> <ul style="list-style-type: none"> <li>• Vice President and head of human resources and administration</li> <li>• Previously served as the manager of the human resources and center of milk source business department of Mengniu Group</li> </ul> <p><b>Mr. Ma Lijun</b> </p> <ul style="list-style-type: none"> <li>• Vice President and head of safety and quality</li> <li>• Previously served as the quality inspection director of Mengniu Group's Quality Center</li> </ul>



Current Mengniu director (except independent non - executive director) / Previously worked at Mengniu senior management



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# 04

## Overview of Green and Sustainable Development

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# Practicing the Concept of Green Development and Committed to Achieving the Dual-Carbon Goals



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We have released our sustainability vision and mission, launched the “FRESH” sustainable development strategy, and received multiple recognitions from international rating agencies.



## Vision

- We uphold the philosophy of harmonious coexistence. By promoting sustainable operations across the entire value chain and adopting a **circular agriculture and animal husbandry model**, the Company creates long-term value for stakeholders and fosters a balanced relationship between humanity and nature.



## Mission

- We are committed to safeguarding public health by **delivering high-quality, nutritious products and services**. The Company continuously strives to improve the well-being of its employees, farmers, and herdsmen, while actively support rural revitalization, and shape a better future through responsibility.



## ESG Achievements and Recognition



In 2025, MSCI Inc. ("MSCI") upgraded CMD's ESG rating to **A**, ranking **1<sup>st</sup>** in China's animal husbandry industry



In 2024, S&P Global Corporate Sustainability Assessment (CSA) scored **56**, with an ESG score of **57**, a year-on-year **increase of 30%**, ranking within the **top 8%** of the industry



In 2024, the Collier FAIRR Protein Producers Index rose by **6** positions, ranking **second** among Chinese companies



In 2025, we received a **"B"** rating from the Carbon Disclosure Project (CDP) across climate change, water security, and forests

# Sustainable Finance Framework-Use of Proceeds



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We have released our Sustainable Finance Framework, under which proceeds will be allocated to new or existing eligible projects.

Eligible Green Projects			
Eligible Assets	Environmental Objectives	Eligibility Criteria & Examples	UN SDG Mapping
Environmentally Sustainable Management of Living Natural Resources and Land Use	Climate Change Mitigation	<p>Procurement of sustainable feed including feed additives, feed replacement and deforestation-free feed to promote sustainable agriculture practices and reduce greenhouse gas emissions. Examples include, but are not limited to:</p> <ul style="list-style-type: none"> <li><b>Deforestation-Free Soybean Sourcing:</b> Procuring deforestation-free soybeans to avoid greenhouse gas emissions associated with land conversion for soy production. Avoiding deforestation preserves carbon stocks in forests and prevents the release of significant amounts of CO2 into the atmosphere. Identifying and sourcing soybean meal exclusively from suppliers with certifications such as COFCO International Conversion-Free Soy Standard Module 1 or Module 2, Cargill Triple S, U.S. Soybean Sustainability Assurance Protocol (SSAP)</li> <li><b>Canola Meal Substitution:</b> Incorporating canola meal as a feed substitute to reduce enteric methane emissions through its natural fatty acid composition and by improving milk production efficiency to reduce emissions per unit of milk</li> </ul>	    
Renewable Energy	Climate Change Mitigation	<p>Investments and expenditures related to development, construction, installation, operation and maintenance of renewable energy generation facilities to promote clean energy transition and reduce greenhouse gas emissions. Examples include, but are not limited to:</p> <ul style="list-style-type: none"> <li><b>Solar Power Installations:</b> Photovoltaic systems on the south-facing steel roofs of dairy cow barns, which generate renewable energy and reduce carbon emissions from agricultural operations</li> <li><b>Biogas Generation:</b> The purified biogas produced from the anaerobic digestion system is comprehensively utilized to generate steam for heating in farm operations and drying digestate through combustion. The biogas is also used for power generation, where electricity is first used for self-consumption, with excess power fed into the grid for additional revenue</li> </ul>	 



# Sustainable Finance Framework-Use of Proceeds (cont'd)



MODERN FARMING  
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We have released our Sustainable Finance Framework, under which proceeds will be allocated to new or existing eligible projects.

Eligible Green Projects			
Eligible Assets	Environmental Objectives	Eligibility Criteria & Examples	UN SDG Mapping
Sustainable Water and Wastewater Management	Water Conservation	<p>Expenditures related to sustainable water management, such as water reuse and recycling, efficiency, and conservation. Examples include, but are not limited to:</p> <ul style="list-style-type: none"> <li><b>Water Conservation Initiatives:</b> Installation of precision sprinkler systems in cow barns for heat stress management. Transition to an enzymatic and plant-extract-based detergent for udder wiping, reducing water consumption by streamlining the cleaning process. Installation of smart water valves in pasture irrigation systems to improve water use efficiency and minimize water waste</li> <li><b>Sewage Treatment and Recycling:</b> Regular replacement of sewage pipes and repair of drainage ditches/channels. Recycled cooling water from milk chilling is recycled as drinking water for cattle. Milking machine wastewater is recycled for cleaning milking equipment and facilities</li> </ul>	
Clean Transportation	Climate Change Mitigation, Pollution Prevention and Control	<p>Investments in assets, activities, technology and research and development that reduce the greenhouse gas emissions arising from transportation. Examples include, but are not limited to:</p> <ul style="list-style-type: none"> <li><b>Electric Farm Equipment:</b> Purchasing or leasing electric units, including but not limited to loaders, stationary mixers, forklifts, calf feeding carts, feed pushers, aerial work platforms and milk tanker trucks</li> </ul>	
Circular Economy Adapted Products, Production Technologies and Processes and/or Certified Eco-efficient Products	Circular Economy Natural Resources Conservation	<p>Investments and expenditures related to the acquisition, construction, maintenance and operation of manure utilization facilities, decomposition and biorefinery technologies. Examples include, but are not limited to:</p> <ul style="list-style-type: none"> <li><b>Establishment of Green Circular Industry Chains:</b> Forage is grown to feed dairy cows, and the resulting manure undergoes solid-liquid separation and treatment. The separated liquid digestate serves as organic fertilizer, nourishing the forage growth and creating a closed-loop system of feed-cow-manure-fertilizer-forage. The separated solid digestate is then dried and used as bedding material in the cow barns, further maximizing resource utilization</li> </ul>	

# Sustainable Finance Framework-Use of Proceeds (cont'd)



MODERN FARMING  
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We have released our Sustainable Finance Framework, under which proceeds will be allocated to new or existing eligible projects.

Eligible Social Projects			
Eligible Assets	Social Objectives	Eligibility Criteria & Examples	UN SDG Mapping
Employment Generation	Employment Generation for Underrepresented Groups	<p>Procurement of silage to promote sustainable agriculture and generate employment, particularly for low-income farmers and their families in rural communities, in partnership with local governments and rural cooperatives. Examples include, but are not limited to:</p> <p><b>Promotion of Forage Agriculture:</b> Partner with local governments and rural cooperatives to support the employment of local farmers in cultivating silage corn near dairy farms. This includes providing technical guidance on silage planting, ensuring consistent procurement of silage, promoting sustainable agricultural practices (reducing reliance on chemical fertilizers and minimizing air pollution from stalk burning), and providing biogas slurry as fertilizer to further reduce the need for chemical fertilizers</p>	   



# Pre - Issuance External Review Opinions

**MOODY'S**  
RATINGS



**MODERN FARMING**  
**现代牧业**

## Our Sustainable Finance Framework have received an SQS3 (Good) Sustainability Quality Score from Moody's.

Assessment Framework	items	Moody's Comments	Moody's Rating
Alignment with Principles (Aligned)	Use of Proceeds	<ul style="list-style-type: none"> <li>The framework content is detailed, clear, highly transparent and standardized, covering project types, target groups, impact indicators, etc</li> </ul>	Best Practices
	Process for Project Evaluation and Selection	<ul style="list-style-type: none"> <li>Established a clear and structured decision-making process led by the Green Financing Working Group and approved by the Sustainability Executive Committee</li> </ul>	Best Practices
	Management of Proceeds	<ul style="list-style-type: none"> <li>The allocation period will be no greater than 24 months and there will be a periodic tracking of how funds have been matched to eligible categories and projects</li> </ul>	Best Practices
	Reporting	<ul style="list-style-type: none"> <li>The company will produce annual update reports covering allocation, eligibility confirmation and impact reporting. The company commits to independent external verification of both the tracking and allocation of funds, and the reported E&amp;S metrics of the financed projects</li> </ul>	Aligned
Contribution to Sustainability (Moderate)	Environmentally Sustainable Management of Living Natural Resources and Land Use	<ul style="list-style-type: none"> <li>The projects financed under this category are significantly relevant for addressing the substantial emission footprint associated with feed production and cattle rearing in the project locations. Projects financed under this category are expected to make a moderate contribution to the climate change mitigation objective</li> </ul>	Relevance: Significant Magnitude: Moderate
	Renewable Energy	<ul style="list-style-type: none"> <li>Projects financed under this category are highly relevant for reducing China's dependence on fossil fuels for electricity production. Under this category, the company aims to finance solar photovoltaic systems and anaerobic digesters on dairy farms. The projects are expected to have a high contribution to the stipulated environmental objective</li> </ul>	Relevance: High Magnitude: High
	Sustainable Water and Wastewater Management	<ul style="list-style-type: none"> <li>Projects funded under this category are highly relevant for addressing water-related issues in China and within the dairy sector, including water usage and pollution</li> </ul>	Relevance: High Magnitude: High
	Clean Transportation	<ul style="list-style-type: none"> <li>Projects financed under this category will have a high contribution to the climate change mitigation, and pollution prevention and control objectives. The company will exclusively finance fully electric assets</li> </ul>	Relevance: Significant Magnitude: High
	Circular Economy Adapted Products, Production Technologies and Processes and/or Certified Eco-Efficient Products	<ul style="list-style-type: none"> <li>The aerobic treatment systems financed under this category are expected to significantly contribute to the circular economy and natural resource conservation objectives. This aerobic treatment will have synergistic benefits, including reducing landfill-bound waste, reducing methane emissions and enhancing nutrient recycling</li> </ul>	Relevance: High Magnitude: Significant
	Employment generation	<ul style="list-style-type: none"> <li>Projects financed under this category are significantly relevant for addressing employment gaps in rural and remote areas of China, particularly in the neighboring rural areas where Modern Dairy's farms are located. However, its additionality is limited, and there are potential risks of relying on the supply chain of small farmers</li> </ul>	Relevance: Significant Magnitude: Moderate

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## Financial Overview

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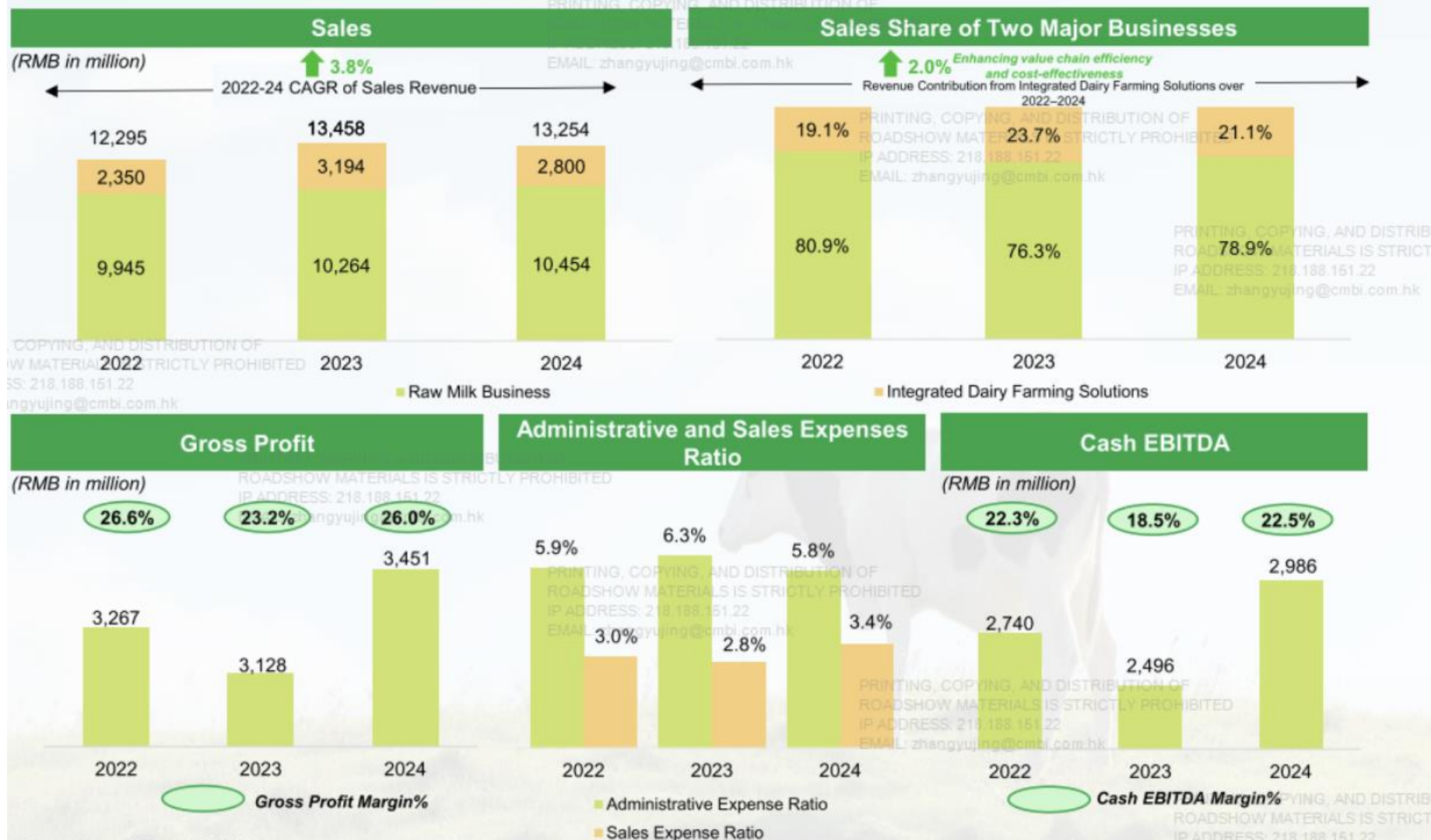


## Steady Revenue Structure and Strong Profitability



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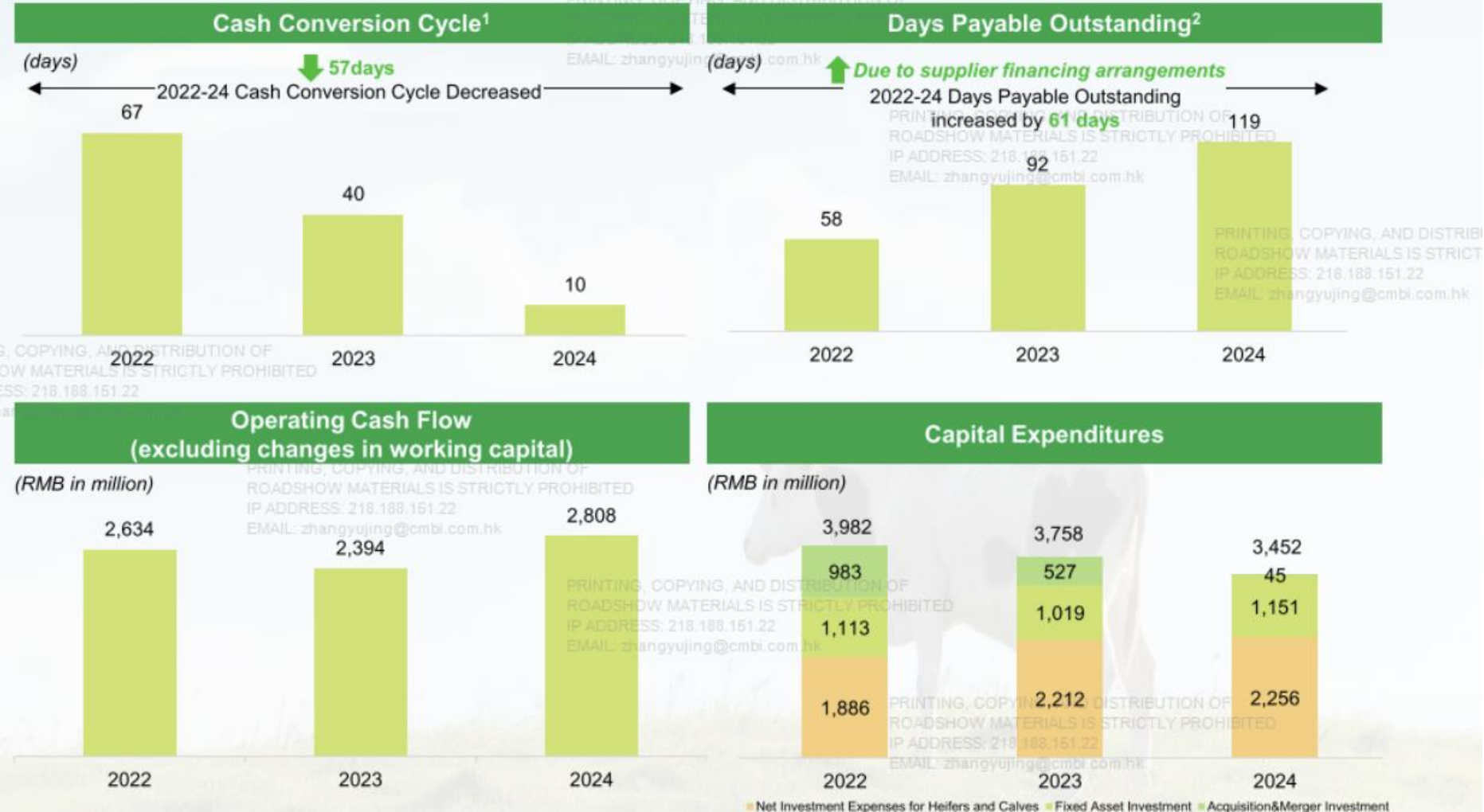
Driven by solid raw-milk performance, we sustained steady revenue growth; full value-chain synergies and relentless cost-efficiency gains pushed our gross and EBITDA margins higher despite market headwinds.



Source: Annual Report of CMD

## Prudent Financial Policy and Strong Cash Flow

The cash conversion cycle continue to shorten, operating cash flow is steadily growing, and capital expenditures remain prudent, providing strong support for the company's response to short-term fluctuations.



Source: Annual Report of CMD; CMD Results Presentation Materials

1. Cash Conversion Cycle (CCC) = Days Inventory Outstanding (DIO) + Days Sales Outstanding (DSO) – Days Payable Outstanding (DPO) ;
2. Days Payable Outstanding = Average trade accounts payable during the period / Cost of sales \* 365 days

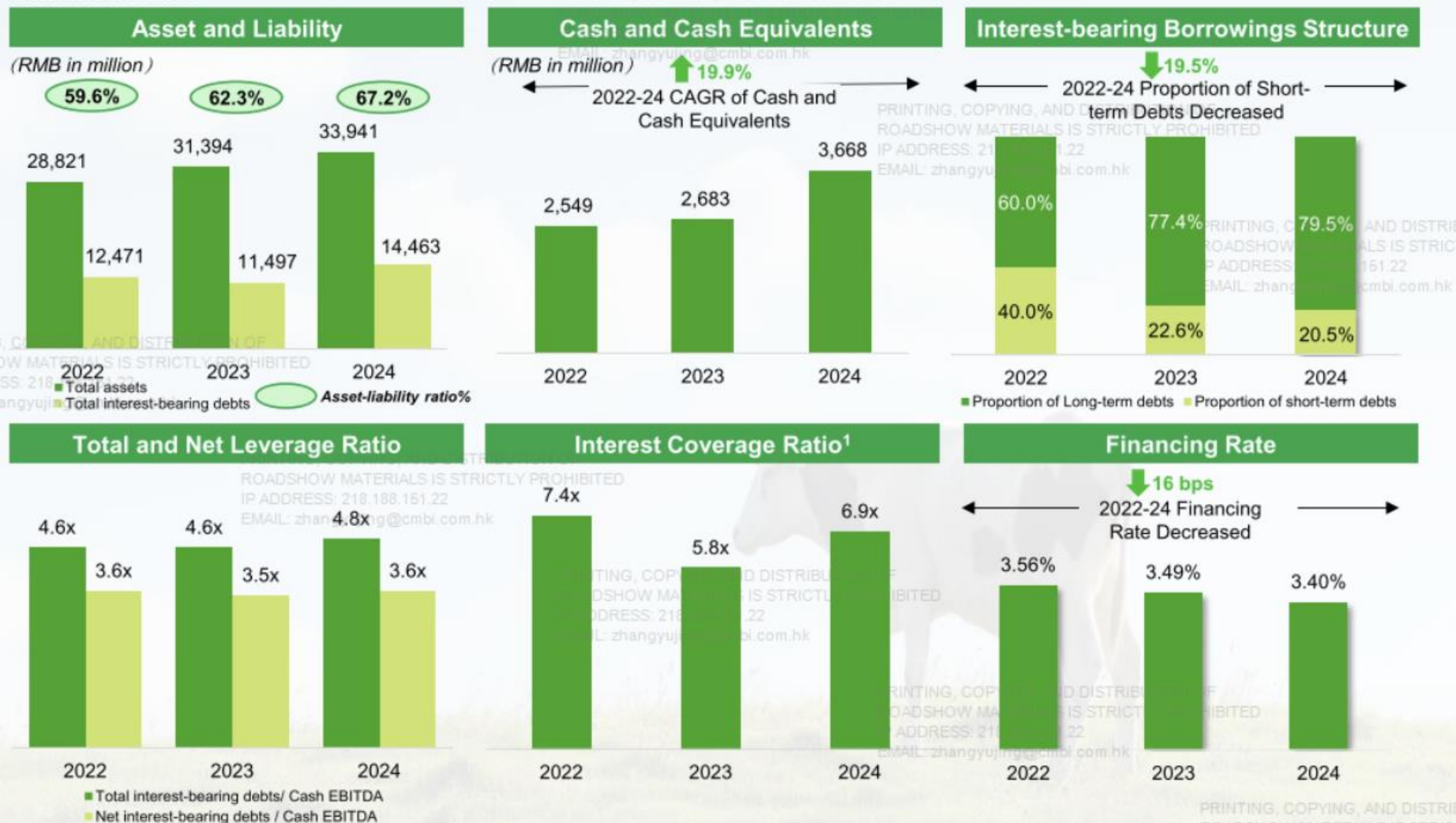


## Robust Balance Sheet and Sufficient Debt-repaying Ability



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The scale of assets has been steadily expanding. Although the asset-liability ratio has slightly increased, cash reserves remain abundant, the debt maturity structure continues to improve, and leverage levels and interest coverage ratios remain healthy. Finance rate has been consistently declining, and the overall financial position remains stable.



Source: Annual Report of CMD

1. Finance Interest Coverage Ratio = Cash EBITDA / Finance costs of Interest-Bearing Debt

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# Q&A Session

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