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China Feihe Limited

中國飛鶴有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6186)

**INSIDE INFORMATION
PROFIT WARNING**

This announcement is made by China Feihe Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the latest preliminary assessment of the Group’s currently available unaudited consolidated management accounts, the Group is expected to record a revenue of approximately RMB9.5 billion to RMB9.8 billion for the six months ended 30 June 2022, representing a decrease of approximately 14.9% to 17.4% as compared to the corresponding period in 2021 (approximately RMB11.5 billion); and is expected to record a profit for the period of approximately RMB2.2 billion to RMB2.5 billion for the six months ended 30 June 2022, representing a decrease of approximately 33.4% to 42.4% as compared to the corresponding period in 2021 (approximately RMB3.8 billion).

The anticipated decrease in the Group’s revenue for the six months ended 30 June 2022 was primarily due to: (i) the birth rate in Mainland China decreased; and (ii) in order to provide consumers with better product experience, the Group implemented the “fresh” strategy in 2022, further reduced the channel inventory of products, such as Astrobaby, to maintain a higher level of freshness of products on the shelves, and implemented stricter control over the overall inventory level of distribution channels. The anticipated decrease in the Group’s profit for the six months ended 30 June 2022 was mainly due to a decrease in revenue generated from infant milk formula products.

Despite of the decrease in the Group's revenue and profit for the six months ended 30 June 2022, the management of the Group is confident in maintaining its leading market position continuously throughout year 2022. The Group will continue to launch new products in the second half of 2022 in order to meet the demand of consumers, which includes Astrobaby and Astrobaby Zhuorui products that have passed the formula registration under the new national standards and adult functional milk powder products. According to the Communiqué of the Seventh National Population Census released by the National Bureau of Statistics of China, China has more than 264 million people aged 60 and above. Therefore, there is a huge market potential for adult functional milk powder products developed for these people.

The Company is still in the process of preparing the interim results of the Group for the six months ended 30 June 2022. The information contained in this announcement is solely based on the Board's preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2022 and is not based on any financial information or other information that has been audited or reviewed by the Company's auditors or the audit committee of the Company, and may be subject to further adjustments and may differ from the figures to be disclosed in the announcement of the interim results for the six months ended 30 June 2022.

The details of the Group's financial results are expected to be disclosed in the announcement of the interim results for the six months ended 30 June 2022, which is expected to be announced in due course in accordance with the requirements of the Listing Rules. Shareholders and potential investors shall read the announcement carefully when it is announced.

Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

By order of the Board
China Feihe Limited
LENG Youbin
Chairman

Beijing, the PRC, 22 July 2022

As at the date of this announcement, our executive directors are Mr. LENG Youbin, Mr. LIU Hua, Mr. CAI Fangliang and Ms. Judy Fong-Yee TU; our non-executive directors are Mr. GAO Yu, Mr. Kingsley Kwok King CHAN and Mr. CHEUNG Kwok Wah; and our independent non-executive directors are Ms. LIU Jinping, Mr. SONG Jianwu, Mr. FAN Yonghong and Mr. Jacques Maurice LAFORGE.