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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**

**(I) PROFIT WARNING**

**(II) SHARE REPURCHASE PLAN**

**AND**

**(III) DIVIDEND EXPECTATION**

This announcement is made by the board of directors (the “**Board**”) of China Feihe Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) and the 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).

**PROFIT WARNING**

The Board wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on a preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2025 and information available to the Company, the Group is expected to record a revenue of approximately RMB9.1 billion to RMB9.3 billion for the six months ended 30 June 2025 as compared to a revenue of approximately RMB10.1 billion for the six months ended 30 June 2024; and a consolidated net profit of approximately RMB1.0 billion to RMB1.2 billion for the six months ended 30 June 2025 as compared to a consolidated net profit of approximately RMB1.9 billion for the six months ended 30 June 2024.

The anticipated decrease in the Group's revenue and consolidated net profit for the six months ended 30 June 2025 as compared to the Group's revenue and consolidated net profit for the six months ended 30 June 2024 was primarily due to (i) the Company actively fulfilled its corporate social responsibility by providing childbirth subsidies to consumers, which led to a decrease in the Company's revenue; (ii) in order to implement its strategy of "Fresh, Extracted and Active Nutrition", the Group reduced the channel inventory of infant formula products to maintain the freshness and quality of products on the shelves; (iii) the decrease in the government grants received by the Group; and (iv) the impairment provision made by the Group for the whole milk powder products.

The Company is still in the process of finalising the interim results of the Group for the six months ended 30 June 2025. The information above is only based on the preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for the six months ended 30 June 2025 and other information currently available to the Board, which are still subject to review by the audit committee of the Company, and shall be subject to adjustments. The actual financial results of the Group for the six months ended 30 June 2025 may be different from the information disclosed in this announcement. Shareholders and potential investors are advised to read carefully the interim results announcement of the Company for the six months ended 30 June 2025, which is expected to be published by the end of August 2025.

Since the Group anticipates completing the inventory adjustment in the third quarter of 2025, it expects to record a low single-digit increase in revenue generated for the year ending 31 December 2025 as compared to the revenue generated for the year ended 31 December 2024. Such information above is only based on the preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for the six months ended 30 June 2025, the management team's assessment of the performance outlook for the second half of 2025 and other information currently available to the Board, which shall be subject to adjustments. The actual financial results of the Group for the year ending 31 December 2025 may be different from such information. Shareholders and potential investors are advised to read carefully the final results announcement of the Company for the year ending 31 December 2025, which is expected to be published by the end of March 2026.

## SHARE REPURCHASE PLAN

Pursuant to the repurchase mandate granted to the directors of the Company (the "**Directors**") by the ordinary resolution of the Shareholders passed on 29 May 2025 (the "**Repurchase Mandate**"), the Directors were granted a general mandate to repurchase such number of shares as would represent up to 10% of the total number of issued shares of the Company (excluding treasury shares) as at the date of passing of the ordinary resolution (i.e. a total of 906,725,170 shares of the Company).

The Board hereby announces that it intends to utilize the Repurchase Mandate to repurchase shares of the Company on the open market from the date of this announcement to 31 December 2025 (the "**Share Repurchase Plan**"). The Share Repurchase Plan is proposed to use no less than RMB1 billion in funds for the repurchase. The Company will finance the repurchase from its existing available cash reserves and free cash flow. The repurchased shares will be used for subsequent sales or employee share incentives.

The Company's management team has very strong confidence in the prospects of the Group taking into account the Group's leading market position, resilient business model and robust balance sheet. The Share Repurchase Plan reflects the confidence of the Board and the management team in the long-term business outlook and growth of the Company. The Board considers that the Share Repurchase Plan is in the best interest of the Company and its Shareholders as a whole.

**Shareholders and potential investors should note that any repurchase may be done subject to market conditions and at the Board's absolute discretion. There is no assurance of the timing, quantity or price of any repurchase.**

## **DIVIDEND EXPECTATION**

Despite the short-term challenges impacting financial performance, the Board expects that the total dividends to be distributed for the year ending 31 December 2025 will be no less than RMB2 billion, which reflects:

- (i) **Commitment to Shareholder Returns:** The Board prioritizes delivering consistent investment returns to the Shareholders, acknowledging their long-term support.
- (ii) **Sustainable Financial Position:** The Group possesses ample liquidity and retained earnings to support the dividend while ensuring sufficient capital for ongoing operations and strategic initiatives.

**Shareholders and potential investors should note that any dividend may be declared subject to market conditions and at the Board's absolute discretion. There is no assurance of the timing or amount of any dividend.**

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board  
**China Feihe Limited**  
**LENG Youbin**  
*Chairman*

Beijing, the PRC, 4 July 2025

*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, Mr. CHEUNG Kwok Wah and Mr. Maher EL-OMARI (alias: Mac); and our independent non-executive directors are Ms. LIU Jinping, Mr. SONG Jianwu, Mr. FAN Yonghong and Mr. Jacques Maurice LAFORGE.*