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優然牧業
YOURAN DAIRY

China Youran Dairy Group Limited

中國優然牧業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9858)

INSIDE INFORMATION

LETTER OF INTENT IN RELATION TO ASSET SWAP TRANSACTIONS

This announcement is made by China Youran Dairy Group Limited (the “**Company**”, together with its subsidiaries, collectively referred to as the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) 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).

LETTER OF INTENT

On August 5, 2026, Inner Mongolia Youran Dairy Co., Ltd.* (內蒙古優然牧業有限責任公司) (“**Inner Mongolia Youran**”), a wholly-owned subsidiary of the Company, and Inner Mongolia Saikexing Reproductive Biotechnology (Group) Co., Ltd.* (內蒙古賽科星繁育生物技术(集團)股份有限公司) (“**SKX**”), a non wholly-owned subsidiary of the Company whose shares are listed on the National Equities Exchange and Quotations (stock code: 834179), entered into a non-legally binding letter of intent (the “**Letter of Intent**”) in relation to the asset swap transactions between Inner Mongolia Youran and SKX (the “**Proposed Transactions**”).

Pursuant to the Letter of Intent:

- (a) SKX shall dispose of the entire equity interests in its 18 subsidiaries, which are principally engaged in dairy farming business, to Inner Mongolia Youran;
- (b) Inner Mongolia Youran shall dispose of the entire equity interests in its 2 subsidiaries, which are primarily engaged in the production and sale of feeds and ruminant farming products, to SKX; and

- (c) the difference in the consideration for each of the aforementioned disposals shall be settled by one party to the other in cash.

As at the date of this announcement, the audit and valuation of the target companies to be acquired and disposed of under the Proposed Transactions have not been completed and therefore the consideration of the Proposed Transactions has not been determined. Subject to, among others, negotiations, obtaining of all approvals (including but not limited to resolutions from their respective boards of directors and/or shareholders' meetings, if required) and completion of audit and valuation, Inner Mongolia Youran and SKX will enter into a definitive agreement which will set out the terms of the Proposed Transactions in detail.

REASONS FOR THE PROPOSED TRANSACTIONS

Both Inner Mongolia Youran and SKX carry on businesses in the upstream dairy industry chain, and as a result, there are certain overlapping businesses operated by them.

If the Proposed Transactions proceed, SKX will be able to transfer its dairy farming business and raw milk production business to Inner Mongolia Youran, whereas Inner Mongolia Youran will be able to transfer its feed business and ruminant farming products marketplace business to SKX. Accordingly, the Proposed Transactions, if they proceed, will be able to eliminate Inner Mongolia Youran's and SKX's overlapping businesses, allow each of them to focus on its core business, and achieve a clearer division and more efficient allocation of resources within the Group.

The Board hereby emphasizes that the Proposed Transactions may or may not proceed, and as of the date of this announcement, no definitive agreement has been entered into. The Proposed Transactions, if materialize, may constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. The Company will make further announcement(s) as and when required under the Listing Rules. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities.

By order of the Board
China Youran Dairy Group Limited
Hao Haijun
Chairman and Executive Director

Hohhot, August 5, 2026

As at the date of this announcement, the executive directors of the Company are Mr. Hao Haijun, Mr. Dong Jiping and Ms. Meng Yilan; the non-executive directors of the Company are Mr. Bai Wenzhong, Ms. Li Lin and Mr. Xu, Zhan Kevin; and the independent non-executive directors of the Company are Ms. Xie Xiaoyan, Mr. Yao Feng and Ms. Huang Lin.

* For identification purposes only.