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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)

CONNECTED TRANSACTION THE LOAN AGREEMENT

THE LOAN AGREEMENT

On 15 October 2026, Feihe HK, a wholly owned subsidiary of the Company, entered into the Loan Agreement with the Borrower, pursuant to which Feihe HK agreed to provide to the Borrower a loan facility of RMB400 million.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Borrower, Garland Glory, is a controlling shareholder (as defined under the Listing Rules) of the Company. Therefore, the Borrower is a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules, and the transaction contemplated under the Loan Agreement constitutes a connected transaction for the Company pursuant to Chapter 14A of the Listing Rules. As the highest applicable percentage ratio for the transaction contemplated under the Loan Agreement exceeds 0.1% but is less than 5%, the transaction is subject to the reporting and announcement requirements, but is exempt from the circular and independent shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

INTRODUCTION

On 15 October 2026, Feihe HK, a wholly owned subsidiary of the Company, entered into the Loan Agreement with the Borrower, pursuant to which Feihe HK agreed to provide to the Borrower a loan facility of RMB400 million.

THE LOAN AGREEMENT

The principal terms of the Loan Agreement are as follows:

Date:	15 October 2026
Parties:	Feihe HK, as the Lender; and Garland Glory, as the Borrower
Subject Matter:	Pursuant to the Loan Agreement, Feihe HK agreed to provide to the Borrower a loan facility of RMB400 million.
Term:	The term of the Loan shall be 12 months which commences from the date on which the Loan is actually paid into the bank account designated by the Borrower (the “ Disbursement Date ”).
Interest Rate:	The annual interest rate of the Loan is 2.73%. Interest shall accrue from the Disbursement Date and shall be paid to the Lender together with the principal amount of the Loan in accordance with the Loan Agreement.
Purpose of the Loan:	General working capital of the Borrower
Type of the Loan:	Unsecured loan
Early Repayment:	The Borrower may elect to prepay the Loan in full or in part prior to the expiry of the Loan term. In the event of such prepayment, interest shall be calculated based on the actual number of days during which the Loan remained outstanding.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LOAN AGREEMENT

The terms of the Loan Agreement were determined after arm’s length negotiations between the Lender and the Borrower. In determining the interest rate, the Company took into account the prevailing interest rates quoted by independent third-party commercial banks in Hong Kong for one-year RMB loans of a similar principal amount, and the interest rate agreed under the Loan Agreement is no less favourable to the Group than the interest rates offered by such independent commercial banks. Feihe HK intends to fund the Loan using its internal resources.

The Group entered into the Loan Agreement after considering the following factors: (i) the Group’s latest financial position and the availability of internal resources; (ii) the Loan will not adversely affect the Group’s working capital or its day-to-day operations; and (iii) the interest income generated by the Loan is expected to exceed the Group’s funding costs and the interest income from time deposits of a comparable term.

Further, the Group conducted an assessment of the Borrower's repayment capacity, taking into account, among other things, the prevailing market value of securities directly held by the Borrower. Based on the assessment, the Board (excluding Mr. Leng Youbin, who wholly owns Garland Glory, the Borrower, and has abstained from voting on the relevant resolution) is satisfied that the Borrower possesses sufficient repayment capacity and a bona fide intention to perform its obligations under the Loan Agreement. Accordingly, the Board concluded that the overall risk associated with the Loan is relatively low, and expected the Borrower to fulfill the repayment of the principal and all accrued interest in strict accordance with the terms of the Loan Agreement.

In view of the above, the Directors (including the independent non-executive Directors) consider that the terms of the Loan Agreement are fair and reasonable, and although the transaction contemplated under the Loan Agreement is not in the ordinary and usual course of business of the Group, it is on normal commercial terms or better and in the interests of the Company and its shareholders as a whole.

RISK CONTROL MEASURES

The Directors (including the independent non-executive Directors) consider that the following risk control measures adopted by the Group are adequate to cover the risks involved in the provision of the Loan pursuant to the Loan Agreement:

- (a) to ensure ongoing oversight, the finance department of the Group will be primarily responsible for monitoring the Borrower's repayment of the Loan (including any interest payment) and will report the status of the Loan until the Loan is fully repaid. In the event of a default, the Group reserves the right to demand immediate repayment and apply a default interest rate on any outstanding balance;
- (b) upon the Lender's request at any time, the Borrower shall provide forthwith to the Lender any documents and information relating to the financial position of the Borrower, including but not limited to credit report, to assess the Borrower's repayment capacity and credit risks; and
- (c) if the Borrower has any potential risks of financial instability, the Borrower shall inform the Lender immediately.

LISTING RULES IMPLICATIONS

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As Mr. Leng Youbin wholly owns Garland Glory, the Borrower under the Loan Agreement, he is considered to have a material interest in the Loan Agreement and the transaction contemplated thereunder. Accordingly, he has abstained from voting on the relevant Board resolution(s) approving the Loan Agreement and the transaction contemplated thereunder. Save as disclosed above, none of the Directors has a material interest in the Loan Agreement or the transaction contemplated thereunder, and none was required to abstain from voting on the relevant Board resolutions.

GENERAL INFORMATION ON THE PARTIES

Information on the Group

The Company is an exempted company incorporated in the Cayman Islands with limited liability on 26 October 2012, whose shares are listed on the Main Board of the Stock Exchange. The Group is primarily engaged in the production and sale of dairy products and raw milk, and sale of nutritional supplements.

Information on Feihe HK

Feihe HK is a company incorporated in Hong Kong with limited liability on 22 April 2014 and a wholly-owned subsidiary of the Company. Feihe HK is primarily engaged in investment holding and provision of management services.

Information on Garland Glory

Garland Glory is a company incorporated in the British Virgin Islands with limited liability on 23 October 2012 and wholly owned by LYB International Holding Limited, which is in turn wholly owned by Harneys Trustees Limited (the trustee of the Leng Family trust). Leng Family Trust was established by Mr. Leng Youbin as the settlor and the trust is a discretionary trust for the benefits of Mr. Leng and his family members. Garland Glory is a controlling shareholder (as defined under the Listing Rules) of the Company. Garland Glory is primarily engaged in investment holding.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meaning:

“Board”	the board of Directors
“Borrower”	Garland Glory
“Company”	China Feihe Limited, an exempted company incorporated in the Cayman Islands with limited liability on 26 October 2012
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Feihe HK”	Feihe International (HK) Limited (飛鶴國際(香港)有限公司), a company incorporated in Hong Kong with limited liability on 22 April 2014 and a wholly-owned subsidiary of the Company
“Garland Glory”	Garland Glory Holdings Limited, a company incorporated in the British Virgin Islands with limited liability on 23 October 2012 and a controlling shareholder (as defined under the Listing Rules) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Lender”	Feihe HK
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	a loan in the facility amount of RMB400 million to be provided by the Lender to the Borrower pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 15 October 2026 entered into between the Lender and the Borrower in relation to the provision of the Loan
“PRC”	the People’s Republic of China, but for the purpose of this announcement only, except where the context requires, references in this announcement to the PRC or China exclude Hong Kong, Macau and Taiwan

“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	Per cent

By Order of the Board
China Feihe Limited
LENG Youbin
Chairman

Beijing, China, 15 October 2026

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. 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.