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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)

CONTINUING CONNECTED TRANSACTIONS (A) RENEWED NL47 PROCUREMENT FRAMEWORK AGREEMENT (B) NL47 SALES FRAMEWORK AGREEMENT AND (C) NL47 STORAGE AND LOGISTICS SERVICE FRAMEWORK AGREEMENT

INTRODUCTION

We refer to the announcements of the Company dated 14 October 2025 and 5 November 2025, in relation to, among other things, the NL47 Procurement Framework Agreement entered into between Feihe HLJ and North Latitude 47, pursuant to which Feihe HLJ agrees to directly or indirectly (through its subsidiaries) procure certain agricultural products from North Latitude 47 and/or its subsidiaries from 14 October 2025 to 31 December 2027.

RENEWED NL47 PROCUREMENT FRAMEWORK AGREEMENT

On 13 November 2026, Feihe HLJ and North Latitude 47 entered into a Supplemental Agreement to amend and extend the NL47 Procurement Framework Agreement (together, the Renewed NL47 Procurement Framework Agreement), pursuant to which, the scope of the products to be purchased by Feihe HLJ (or through its subsidiaries) expanded to include raw materials for infant milk formula. The Renewed NL47 Procurement Framework Agreement shall take effect from 13 November 2026 and expire on 31 December 2028.

Save as described above, all other terms and conditions of the NL47 Procurement Framework Agreement remain unchanged.

Revision and Update of Annual Caps

In view of the expansion of product scope under the Renewed NL47 Procurement Framework Agreement, the Board expects the Existing Annual Caps contemplated under the NL47 Procurement Framework Agreement for the years ending 31 December 2026 and 2027 will not be sufficient to meet the expected demand, and accordingly, it is necessary to revise the Existing Annual Caps for the transactions under the NL47 Procurement Framework Agreement. In view of the new term of the Renewed NL47 Procurement Framework Agreement, the Board has arrived at the new annual cap for the year ending 31 December 2028.

NL47 SALES FRAMEWORK AGREEMENT

On 13 November 2026, Feihe HLJ and North Latitude 47 entered into the NL47 Sales Framework Agreement, pursuant to which Feihe HLJ agrees to directly or indirectly (through its subsidiaries) sell certain raw materials to North Latitude 47 and/or its subsidiaries from 13 November 2026 to 31 December 2028.

NL47 STORAGE AND LOGISTICS SERVICE FRAMEWORK AGREEMENT

On 13 November 2026, Feihe HLJ and North Latitude 47 entered into the NL47 Storage and Logistics Service Framework Agreement, pursuant to which Feihe HLJ agrees to directly or indirectly (through its subsidiaries) provide warehousing and storage services and logistics services to North Latitude 47 and/or its subsidiaries from 13 November 2026 to 31 December 2028.

LISTING RULES IMPLICATIONS

As at the date of this announcement, North Latitude 47 is held as to approximately 63.88% by Youpeng Investment (Hainan) Co., Ltd.* (友鵬投資(海南)有限公司), a wholly owned subsidiary of Youpeng Investment (HK) Limited, which is in turn ultimately controlled by Mr. Leng Youbin, an executive Director, chairman of the Board and chief executive officer, and the controlling shareholder (as defined under the Listing Rules) of the Company. None of the other shareholders of North Latitude 47 held 30% or more of the interests therein. Therefore, North Latitude 47 is an associate of Mr. Leng Youbin and a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, each of the Renewed NL47 Procurement Framework Agreement, the NL47 Sales Framework Agreement and the NL47 Storage and Logistics Service Framework Agreement constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the Existing Annual Caps of the transactions under the NL47 Procurement Framework Agreement, or to renew the agreement or to effect a material change to its terms, the Company will have to re-comply with provisions of Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the New Annual Caps exceeds 0.1% but is less than 5%, the transactions contemplated under the Renewed NL47 Procurement Framework Agreement are subject to the reporting, annual review and announcement requirements but are exempted from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratios in respect of the annual caps for the transactions contemplated under the NL47 Sales Framework Agreement or the NL47 Storage and Logistics Service Framework Agreement exceeds 0.1% but is less than 5%, the NL47 Sales Framework Agreement and the NL47 Storage and Logistics Service Framework Agreement and the respective transactions contemplated thereunder are subject to the reporting, annual review and announcement requirements but are exempted from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

I. INTRODUCTION

We refer to the announcements of the Company dated 14 October 2025 and 5 November 2025, in relation to, among other things, the NL47 Procurement Framework Agreement entered into between Feihe HLJ and North Latitude 47, pursuant to which Feihe HLJ agrees to directly or indirectly (through its subsidiaries) procure certain agricultural products from North Latitude 47 and/or its subsidiaries from 14 October 2025 to 31 December 2027.

II. RENEWED NL47 PROCUREMENT FRAMEWORK AGREEMENT

After the NL47 Procurement Framework Agreement was entered into in October 2025, the Group's demand for key raw materials for infant milk formula, including ARA powder and DHA powder, has increased. To secure a reliable supply of high-quality raw materials that meet the Group's standards, the Group determined to expand the scope of products procured from North Latitude 47 and/or its subsidiaries to include raw materials for infant milk formula. Furthermore, as the NL47 Procurement Framework Agreement will expire on 31 December 2027, and given the Group's ongoing business requirements, the Board also decided to extend the term of the NL47 Procurement Framework Agreement.

Taking into account the above considerations, on 13 November 2026, Feihe HLJ and North Latitude 47 entered into a Supplemental Agreement to amend and extend the NL47 Procurement Framework Agreement (together, the Renewed NL47 Procurement Framework Agreement), pursuant to which, the scope of the products to be purchased by Feihe HLJ (or through its subsidiaries) expanded to include raw materials for infant milk formula. The Renewed NL47 Procurement Framework Agreement shall take effect from 13 November 2026 and expire on 31 December 2028. Save as described above, all other terms and conditions of the NL47 Procurement Framework Agreement remain unchanged.

Principal Terms of the Renewed NL47 Procurement Framework Agreement

The principal terms of the Renewed NL47 Procurement Framework Agreement are summarised as follows:

Date:	13 November 2026
Parties:	Feihe HLJ (or through its subsidiaries), as the purchaser; and North Latitude 47 and/or its subsidiaries, as the vendor
Nature of transaction:	Feihe HLJ agrees to directly or indirectly (through its subsidiaries) procure the following products from North Latitude 47 and/or its subsidiaries during the term of the Renewed NL47 Procurement Framework Agreement: (a) agricultural products, including rice, cooking oil and other grains; and (b) raw materials for infant milk formula, including ARA powder, DHA powder, vegetable fat powder, GOS and HMO.
Term:	From 13 November 2026 to 31 December 2028
Pricing term:	The purchaser and the vendor will enter into separate purchase orders which will set out the specific terms and conditions (including the payment terms) according to the principles provided in the Renewed NL47 Procurement Framework Agreement. The price of the products to be procured by Feihe HLJ or its subsidiaries shall be no less favourable than the market price of such products at the time when the individual purchase order is entered into. ***With respect to the agricultural products*** The market price shall be determined in accordance with (i) the price and terms of products of the same type and quality quoted by no less than two independent suppliers on normal commercial terms in the ordinary course of businesses in the PRC; or (ii) in the event that (i) is inapplicable, it shall be determined by both parties to the NL47 Procurement Framework Agreement on fair and reasonable basis and on normal commercial terms and credit terms.

In the event that quotation by no less than two independent suppliers is inapplicable, the market price will be determined by both parties with reference to (i) the weekly reports on the national purchase prices for major grain varieties and the market prices for major grain and oil commodities published by the National Food and Strategic Reserves Administration of the PRC (國家糧食和物資儲備局); (ii) the research and analysis reports on the market prices and market trends of agricultural products prepared by renowned financial media; and (iii) the retail price of the relevant agricultural products applicable to individual consumers.

With respect to raw materials for infant milk formula

The pricing method for raw materials for infant milk formula under the Renewed NL47 Procurement Framework Agreement is consistent with the Group's procurement policy for raw materials for infant milk formula. The Group periodically conducts inquiries, price comparisons, and bid selection processes for its requirements of raw materials for infant milk formula. At least three suppliers are invited to participate in each such process, and the Group determines whether a supplier qualifies for inclusion in the Group's approved supplier panel based on the price quoted and the quality of the goods supplied. North Latitude 47's subsidiary was successful in the most recent bidding process, having offered a competitive quotation and the quality of the raw materials for infant milk formula it supplied met or exceeded the Group's established specifications and quality standards.

The Group will continue to review and monitor the price and quality of the raw materials for infant milk formula supplied by North Latitude 47's subsidiary in accordance with the Group's procurement policy, and will ensure that the price offered by North Latitude 47 and/or its subsidiary is no less favourable than the market price for products of the same or similar quality for the same period.

Historical Transaction Amounts and Revision and Update of Annual Caps

The table below sets out a summary of the historical transaction amounts in respect of the procurement of agricultural products and raw materials for infant milk formula by Feihe HLJ and/or its subsidiaries from North Latitude 47 and/or its subsidiaries for the year ended 31 December 2025, and the period from 1 January 2026 to 30 September 2026, the Existing Annual Caps and the New Annual Caps.

	Actual transaction amounts for the		Annual caps for the		
	Year ended 31 December 2025 *(RMB)*	Period from 1 January 2026 to 30 September 2026 *(RMB)*	Year ending 31 December 2026 *(RMB)*	Year ending 31 December 2027 *(RMB)*	Year ending 31 December 2028 *(RMB)*
Agricultural products	89,195,068	127,585,588[(Note 1)]	–	–	–
Raw materials for infant milk formula	–	48,601,752[(Note 2)]	–	–	–
Existing Annual Caps	100,000,000[(Note 3)]	–	180,000,000	210,000,000	–
New Annual Caps	–	–	280,000,000	516,000,000	558,000,000
– Agricultural products	–	–	*180,000,000*	*210,000,000*	*210,000,000*
– Raw materials for infant milk formula	–	–	*100,000,000*	*306,000,000*	*348,000,000*

Note 1: Unaudited, being the actual transaction amount for the period from 1 January 2026 to 30 September 2026, and the actual amount does not exceed the corresponding Existing Annual Caps (i.e. the original annual cap for the year ended 31 December 2026 of the transactions under the NL47 Procurement Framework Agreement).

Note 2: Unaudited, being the actual transaction amount for the period from 1 January 2026 to 30 September 2026.

Note 3: Being the existing annual cap for the transactions contemplated under the NL47 Procurement Framework Agreement for the years ending 31 December 2025.

Basis of the New Annual Caps

Agricultural products

As shown in "Historical Transaction Amounts and Revision and Update of Annual Caps Under the Renewed NL47 Procurement Framework Agreement" above, the annual caps for procurement of agricultural products for the years ending 31 December 2026 and 2027 remain unchanged as compared to the Existing Annual Caps under the NL47 Procurement Framework Agreement.

For the new annual cap for the year ending 31 December 2028, it's determined mainly based on the following factors, including:

(i) the historical transaction amounts in respect of the procurement of agricultural products of RMB0.5 million, RMB11.0 million, RMB89.2 million and RMB127.6 million for the years ended 31 December 2023, 2024 and 2025 and the nine months ended 30 September 2026;

(ii) the estimated quantity of the relevant products required by Feihe HLJ and/or its subsidiaries, taking into account:

a. Membership on the Group's e-commerce platform

The total number of the registered members on the Group's e-commerce platform increased by 39.24% and 45.55% as at 31 December 2025 and 30 June 2026, as compared with such number as at 31 December 2024. It is expected that the total number of the registered members on the Group's e-commerce platform will maintain a relatively stable and high growth rate for the following three years ending 31 December 2028, thereby driving the growth in the demand of the relevant agricultural products by such members.

b. Demand of products and the promotional activities

Since 2025, the Group has proposed to develop a comprehensive family nutritional product matrix, which has positioned rice as a staple food. To promote such product matrix, the Group launched various online and offline promotional activities in 2025 and 2026, including but not limited to provincial gift promotion campaigns, brand awareness campaigns and festival sales campaigns. The Group also introduced a series of incentive measures for its members to purchase or redeem agricultural products on the Group's e-commerce platform, including but not limited to the voucher offer for new customers.

The Group's promotional activities have brought a significant increase in the demands of agricultural products from the registered members on the Group's e-commerce platform. Based on the orders at hand from the members of the Group's e-commerce platform, the total demands involving the agricultural products that can be offered by North Latitude 47 and/or its subsidiaries for the year ending 31 December 2026 are expected to reach approximately RMB170 million. The Company also factored in the number and scale of planned gifting campaigns as expected by the Group in the following three years and the expected portion of agricultural products to be purchased from North Latitude 47 and/or its subsidiaries.

(iii) the estimated market price of the relevant products based on historical trend, and a reasonable buffer to account for fluctuation in the price and inflation.

Raw materials for infant milk formula

The annual caps for procurement of raw materials for infant milk formula are determined mainly based on the following factors, including:

(i) Expansion of Supplier Base to Ensure the Stability of Supply Chain

As one of the largest consumers of ARA powder and DHA powder by volume in China's infant formula industry, the Group attaches great importance to the security of its material supply. To mitigate supply risks, the Group has strategically increased its procurement from North Latitude 47 and/or its subsidiaries, which has proven its ability to provide high-quality raw materials for infant milk formula that meet the Group's standards.

The Group expects its annual demand for ARA powder and DHA powder to be approximately 2,000 tonnes. It is also expected that purchases from North Latitude 47 and/or its subsidiaries will account for approximately 40% of the Group's total purchase amount of ARA powder and DHA powder for the year ending 31 December 2026. The aggregate purchase amount of ARA powder and DHA powder is expected to reach approximately RMB200 million for each of the years ending 31 December 2027 and 2028.

(ii) Expected Increase in Purchases of GOS and HMO

The Group expects to begin purchasing GOS and HMO from North Latitude 47 and/or its subsidiaries in 2027, when its relevant production lines are scheduled to gradually commence operation. Following verification that the materials meet the Group's quality standards, the purchase volume is expected to increase in 2027 and expand further in 2028 as production capacity ramps up. The aggregate purchase amount of GOS and HMO is expected to reach approximately RMB106 million for the year ending 31 December 2027 and approximately RMB148 million for the year ending 31 December 2028, respectively.

(iii) Price Volatility and Market Benchmarking

The procurement prices for raw materials for infant milk formula are determined through inquiries, price comparisons, and bid selection processes. The annual caps has accounted for potential market price fluctuations in these high-value raw materials, based on historical volatility trends observed in China's market. Taking into account the prevailing market conditions for raw materials, including ARA powder and DHA powder, the prices of such materials are expected to rise from 2027, which is expected to result in an increase in the expected procurement amounts for the years ending 31 December 2027 and 2028.

III. NL47 SALES FRAMEWORK AGREEMENT

On 13 November 2026, Feihe HLJ and North Latitude 47 entered into the NL47 Sales Framework Agreement, pursuant to which Feihe HLJ agrees to directly or indirectly (through its subsidiaries) sell certain raw materials to North Latitude 47 and/or its subsidiaries from 13 November 2026 to 31 December 2028.

Principal Terms of the NL47 Sales Framework Agreement

The principal terms of the NL47 Sales Framework Agreement are set out below:

Date:	13 November 2026
Parties:	Feihe HLJ (or through its subsidiaries), as the vendor North Latitude 47 and/or its subsidiaries, as the purchaser
Nature of transaction:	Feihe HLJ agrees to directly or indirectly (through its subsidiaries) sell certain raw materials to North Latitude 47 and/or its subsidiaries during the term of the NL47 Sales Framework Agreement. Such raw materials include ARA oil, DHA oil, WPC and lactose.
Term:	13 November 2026 to 31 December 2028
Pricing and other terms:	The purchaser and the vendor will enter into separate purchase orders which will set out the specific terms and conditions (including the payment terms) according to the principles provided in the NL47 Sales Framework Agreement. The price for raw materials under the NL47 Sales Framework Agreement shall be determined based on the actual procurement cost the Group incurs in purchasing the relevant raw materials. The Group sells raw materials, including ARA oil, DHA oil and WPC, to North Latitude 47 and/or its subsidiaries mainly to control the quality of the ARA powder and DHA powder they produce and supply to the Group for use in the Group's infant milk formula products. The Group's commercial objective is to obtain ARA powder and DHA powder of consistent and reliable quality, not to earn a profit from reselling the raw materials. Accordingly, the Group sells such raw materials to North Latitude 47 and/or its subsidiaries at cost and does not charge any mark-up.

Under the terms of the NL47 Sales Framework Agreement, the raw materials sold by the Group to North Latitude 47 and/or its subsidiaries, including ARA oil, DHA oil and WPC, shall be used solely for the production of ARA powder, DHA powder and other raw materials to be supplied to the Group. In addition, the Group will conduct periodic checks on the use of such raw materials by North Latitude 47 and/or its subsidiaries.

Historical Transaction Amounts and Annual Caps

The historical transaction amounts in respect of the sales of raw materials by Feihe HLJ and/or its subsidiaries to North Latitude 47 and/or its subsidiaries for the three years ended 31 December 2023, 2024 and 2025 and the nine months ended 30 September 2026 were approximately RMB0.8 million, RMB0.8 million, RMB0.6 million and RMB25.8 million, respectively. As at the date of this announcement, the highest applicable percentage ratios in respect of the sales of raw materials by Feihe HLJ and/or its subsidiaries to North Latitude 47 and/or its subsidiaries for the nine months ended 30 September 2026 has exceeded 0.1% but is less than 5%, please refer to the section of "Non-compliances with the Listing Rules" in this announcement for further details.

The annual caps for the transactions contemplated under the NL47 Sales Framework Agreement for the years ending 31 December 2026, 2027 and 2028 are RMB53 million, RMB12 million and RMB14 million, respectively.

In arriving at the above annual caps, the Directors have taken into account a number of factors, in particular:

(i) Securing a Stable Supply of ARA Powder and DHA Powder through the Sale of DHA Oil and ARA Oil to North Latitude 47 and/or its Subsidiaries

ARA oil, DHA oil and WPC are raw materials to produce ARA powder and DHA powder for use in the Group's infant milk formula products. Since the beginning of 2026, the supply of key raw materials such as DHA oil and ARA oil has tightened and their prices have risen significantly. To mitigate the risk of supply disruption, the Group has introduced specific controls over these raw materials. Leveraging its stable procurement channels and quality control capabilities, the Group centrally sources DHA oil, ARA oil, WPC and other raw materials of consistent quality from reliable suppliers. It then sells them to North Latitude 47 and/or its subsidiaries, which use them to manufacture the products, i.e., ARA powder and DHA powder, they supply back to the Group. The Group has procurement advantages in ARA oil, DHA oil, WPC and other raw materials with consistent quality standard, while North Latitude 47 and/or its subsidiaries possess the technologies and production equipment needed to produce ARA powder and DHA powder. Supplying North Latitude 47 and/or its subsidiaries with raw materials including ARA oil, DHA oil and WPC, ensures that the ARA powder and DHA powder the Group buys back are made with materials that meet its specifications. As a result, the transaction amounts of ARA oil and DHA oil supplied by Feihe HLJ and/or its subsidiaries to North Latitude 47 and/or its subsidiaries increased to RMB12,768,000 and RMB10,885,100, respectively, for the nine months ended 30 September 2026. The Company expects that the ARA oil and DHA oil to be supplied by Feihe HLJ and/or its subsidiaries to North Latitude 47 and/or its subsidiaries for the year ending 31 December 2026 will amount to approximately RMB25 million and RMB21 million, respectively.

The Company also expects the supply and prices of DHA oil and ARA oil to return to normal levels from 2027. From then on, Feihe HLJ and/or its subsidiaries will cease to supply DHA oil and ARA oil to North Latitude 47 and/or its subsidiaries, which will instead procure them from qualified suppliers, but will continue to supply WPC and other raw materials with a relatively small transaction amount. Accordingly, the annual caps for the years ending 31 December 2027 and 2028 are significantly lower than that for 2026.

(ii) Buffer for Potential Price Fluctuations

Having regard to the expected market prices of the relevant raw materials based on their historical price trends, the Directors consider it prudent to include a reasonable buffer in the proposed annual caps to allow for price fluctuations and inflation.

IV. NL47 STORAGE AND LOGISTICS SERVICE FRAMEWORK AGREEMENT

On 13 November 2026, Feihe HLJ and North Latitude 47 entered into the NL47 Storage and Logistics Service Framework Agreement, pursuant to which Feihe HLJ agrees to directly or indirectly (through its subsidiaries) provide warehousing and storage services and logistics services to North Latitude 47 and/or its subsidiaries from 13 November 2026 to 31 December 2028.

Principal Terms of the NL47 Storage and Logistics Service Framework Agreement

The principal terms of the NL47 Storage and Logistics Service Framework Agreement are set out below:

Date:	13 November 2026
Parties:	Feihe HLJ (or through its subsidiaries) North Latitude 47 and/or its subsidiaries
Nature of transaction:	Pursuant to the terms of the NL47 Storage and Logistics Service Framework Agreement, Feihe HLJ and/or its subsidiaries will provide North Latitude 47 and/or its subsidiaries with warehousing and storage services and logistics services according to the requirements of North Latitude 47 and/or its subsidiaries from time to time. The Group will further engage independent third-party vendors to provide such services, as and when required.
Term:	From 13 November 2026 to 31 December 2028

Pricing and other terms: The service fees under the NL47 Storage and Logistics Service Framework Agreement are determined after arm's length negotiations, and are calculated on a cost-plus basis as the sum of the actual warehousing and logistics costs borne by the Company and a fixed service management fee, where:

(a) actual warehousing and logistics costs are the fees actually incurred for the warehousing and logistics services used by North Latitude 47 and/or its subsidiaries, which are payable to the relevant third-party warehousing and logistics service providers, including warehousing and storage, loading and unloading, and logistics and delivery; and

(b) the fixed service management fee covers the Group's labour and management costs needed to provide the services within the agreed scope.

Historical Transaction Amounts and Annual Caps

There were no historical transaction amounts in respect of the provision of warehousing and storage services and logistics services by Feihe HLJ and/or its subsidiaries to North Latitude 47 and/or its subsidiaries for the years ended 31 December 2023, 2024 and 2025 and the nine months ended 30 September 2026.

The annual caps for the transactions contemplated under the NL47 Storage and Logistics Service Framework Agreement for the years ending 31 December 2026, 2027 and 2028 are RMB5 million, RMB60 million and RMB60 million, respectively.

In arriving at the above annual caps, the Directors have taken into account a number of factors, in particular:

(i) the estimated demand for the relevant warehousing and storage services and logistics services to be provided under the NL47 Storage and Logistics Service Framework Agreement during the year ending 31 December 2026, taking into account that the cooperation between the Group and North Latitude 47 and/or its subsidiaries in respect of warehousing and storage services and logistics services is still in its initial stage, it is expected that the cooperation between the two parties will progressively deepen on a nationwide scale from December 2026, with the transaction amount amounting to approximately RMB5 million per month;

(ii) the estimated logistics service fees to be charged by the Group with reference to the historical service fee rates charged by carriers to the Group; and

(iii) the expected volume of the products of North Latitude 47 and/or its subsidiaries to be stored at and distributed through the Group's central warehouses, measured by the number of items and tonnage handled.

V. REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Renewed NL47 Procurement Framework Agreement

The Group evaluates suppliers of raw materials in accordance with its applicable procedures for supplier admission, requests for quotation, price comparison, tendering and internal approval. Suppliers of raw materials are assessed against the Group's requirements on quality, specifications, supply stability, delivery capability and procurement cost. North Latitude 47 and/or its subsidiaries took part in these procedures and were selected and awarded the relevant purchase orders because they met the applicable standards and commercial terms. The relevant prices were determined with reference to tender results or market benchmarks, and are subject to the Group's price verification and contract performance management. Having taken into account the prices quoted by North Latitude 47 and/or its subsidiaries as compared to those quoted by independent suppliers, and North Latitude 47 and/or its subsidiaries consistently meeting the Group's stringent quality requirements and standards, the Directors consider that it is beneficial to the Group to continue to procure the relevant products from North Latitude 47 and/or its subsidiaries.

The NL47 Sales Framework Agreement

Since 2026, the supply of key raw materials such as DHA oil, ARA oil and WPC has tightened and their prices have risen significantly. To guard against the risks of supply disruption, and to safeguard the security of the end-product supply chain, the Company has put in place dedicated controls over these raw materials. Drawing on its stable procurement channels and quality control capabilities, the Group centrally procures raw materials, including DHA oil, ARA oil and WPC, of consistent quality from reliable sources and sells them to North Latitude 47 and/or its subsidiaries, which use them as raw materials for the products they supplies to the Group. Given that North Latitude 47 and/or its subsidiaries possess technologies and equipment for the production of ARA powder and DHA powder which the Group does not have, the Directors consider it beneficial for the Group to supply ARA oil and DHA oil to North Latitude 47 and/or its subsidiaries for use in producing ARA powder and DHA powder that meet the Group's quality requirements.

The NL47 Storage and Logistics Service Framework Agreement

The Group has a dense nationwide warehousing network and well-developed distribution routes, and covers both business-to-business (B2B) and business-to-consumer (B2C) logistics. This allows it to provide integrated nationwide warehousing and distribution services to North Latitude 47 and/or its subsidiaries. By providing these services, the Group can make fuller use of its existing warehousing and logistics resources and generate additional service income. For North Latitude 47 and/or its subsidiaries, using the Group's network is also expected to improve order fulfilment efficiency and reduce logistics costs. Under the NL47 Storage and Logistics Service Framework Agreement, the Group and North Latitude 47 and/or its subsidiaries can coordinate and streamline their operations, and reconfigure resources, thereby bringing efficiencies of scale to their business operations.

The Directors (including independent non-executive Directors) are of the view that the transactions contemplated under the Renewed NL47 Procurement Framework Agreement, the NL47 Sales Framework Agreement and the NL47 Storage and Logistics Service Framework Agreement are in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

VI. INTERNAL CONTROL PROCEDURES AND CORPORATE GOVERNANCE MEASURES

The Group will adopt the following internal control procedures and corporate governance measures in respect of the continuing connected transactions with North Latitude 47 and/or its subsidiaries under the Renewed NL47 Procurement Framework Agreement, the NL47 Sales Framework Agreement and the NL47 Storage and Logistics Service Framework Agreement:

(a) Before the Group enters into transactions under the Renewed NL47 Procurement Framework Agreement, the business department of the Group will obtain relevant market price of the relevant products and compare with the price offered by North Latitude 47 and/or its subsidiaries, and ensure that the terms of the transactions are on normal commercial terms, and are fair and reasonable.

(b) Before the Group enters into any transaction under the NL47 Sales Framework Agreement, the finance department will check the selling price of the ARA oil and DHA oil against the Group's corresponding procurement contracts, invoices and payment records with independent suppliers, to ensure that the selling price is determined based on the Group's actual procurement cost in accordance with the pricing policy.

(c) For each settlement under the NL47 Storage and Logistics Service Framework Agreement, the finance department will check the actual warehousing and logistics costs charged against the invoices and settlement records of the relevant carriers and service providers. It will also check that the fixed service management fee follows the scope and amount agreed in the framework agreement.

(d) The finance department of the Group will cross check the pricing of transactions under the Renewed NL47 Procurement Framework Agreement to ensure that the continuing connected transactions under the Renewed NL47 Procurement Framework Agreement are conducted in accordance with the pricing terms thereof, including reviewing the transaction records of the Group for the procurement of similar products from independent suppliers, as the case may be.

(e) The finance department of the Group will cross check the pricing of transactions under the NL47 Sales Framework Agreement and the NL47 Storage and Logistics Service Framework Agreement to ensure that the continuing connected transactions under the NL47 Sales Framework Agreement and the NL47 Storage and Logistics Service Framework Agreement are conducted in accordance with the pricing terms thereof.

(f) The legal and risk management department of the Group will regularly convene relevant functional departments to hold meetings to discuss issues in the transactions under the Renewed NL47 Procurement Framework Agreement, the NL47 Sales Framework Agreement and the NL47 Storage and Logistics Service Framework Agreement and recommendations for improvement.

(g) The finance department of the Group will summarize the transaction amounts incurred under the Renewed NL47 Procurement Framework Agreement, the NL47 Sales Framework Agreement and the NL47 Storage and Logistics Service Framework Agreement regularly and submit reports to the management of the Group. The management and the relevant departments of the Company can be informed of the status of the continuing connected transactions in a timely manner such that the transactions can be conducted within the annual caps. If the aggregate transaction amount under any framework agreement reaches 80% of the relevant annual cap, the finance department will report this promptly to the management of the Company. The Company will then take steps to comply with the applicable requirements under Chapter 14A of the Listing Rules, including revising the annual cap (if applicable), before the cap is exceeded.

(h) The independent non-executive Directors will review the continuing connected transactions each year and confirm in the Company's annual report whether they have been entered into in the ordinary and usual course of business of the Group, on normal commercial terms or better, and in accordance with the relevant agreements on terms that are fair and reasonable and in the interests of the Shareholders as a whole, as required under Rule 14A.55 of the Listing Rules. The Company's auditors will also be engaged to report on the continuing connected transactions each year in accordance with Rule 14A.56 of the Listing Rules.

VII. LISTING RULES IMPLICATIONS

As at the date of this announcement, North Latitude 47 is held as to approximately 63.88% by Youpeng Investment (Hainan) Co., Ltd.* (友鵬投資(海南)有限公司), a wholly owned subsidiary of Youpeng Investment (HK) Limited, which is in turn ultimately controlled by Mr. Leng Youbin, an executive Director, chairman of the Board and chief executive officer, and the controlling shareholder (as defined under the Listing Rules) of the Company. None of the other shareholders of North Latitude 47 held 30% or more of the interests therein. Therefore, North Latitude 47 is an associate of Mr. Leng Youbin and a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, each of the Renewed NL47 Procurement Framework Agreement, the NL47 Sales Framework Agreement and the NL47 Storage and Logistics Service Framework Agreement constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the Existing Annual Caps of the transactions under the NL47 Procurement Framework Agreement, or to renew the agreement or to effect a material change to its terms, the Company will have to re-comply with provisions of Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the New Annual Caps exceeds 0.1% but is less than 5%, the transactions contemplated under the Renewed NL47 Procurement Framework Agreement are subject to the reporting, annual review and announcement requirements but are exempted from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratios in respect of the annual caps for the transactions contemplated under the NL47 Sales Framework Agreement or the NL47 Storage and Logistics Service Framework Agreement exceeds 0.1% but is less than 5%, the NL47 Sales Framework Agreement and the NL47 Storage and Logistics Service Framework Agreement and the respective transactions contemplated thereunder are subject to the reporting, annual review and announcement requirements but are exempted from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

In addition, since the transactions contemplated under the NL47 Sales Framework Agreement and the NL47 Storage and Logistics Service Framework Agreement are of different natures, and each of such transactions are governed by a separate framework agreement with its own pricing policy and annual caps, respectively, the Directors consider that the transactions contemplated under the NL47 Sales Framework Agreement and the NL47 Storage and Logistics Service Framework Agreement are not required to be aggregated under Rule 14A.81 of the Listing Rules. In any event, even if on an aggregated basis, the highest applicable percentage ratio in respect of the aggregate annual caps for each of the years ending 31 December 2026, 2027 and 2028 would still be less than 5%.

Mr. Leng Youbin had abstained from voting on the Board resolution to approve the Renewed NL47 Procurement Framework Agreement, the New Annual Caps, the NL47 Sales Framework Agreement and the NL47 Storage and Logistics Service Framework Agreement due to his shareholding in North Latitude 47. Save as disclosed above, none of the other Directors has a material interest in the Renewed NL47 Procurement Framework Agreement, the NL47 Sales Framework Agreement, the NL47 Storage and Logistics Service Framework Agreement and the respective transactions contemplated thereunder which would require them to abstain from voting on the relevant Board resolution.

Non-compliances with the Listing Rules

The Company should have complied with the relevant reporting and announcement requirements under Chapter 14A of the Listing Rules in respect of its procurement of raw materials for infant milk formula from North Latitude 47 and/or its subsidiaries when such obligations first arose, being when the Company first made such procurement in early 2026. The Company regrettably acknowledges that it has failed to comply with the Listing Rules in a timely manner. This was due to an inadvertent oversight by its finance personnel, who mistakenly believed that the procurement of raw materials for infant milk formula from North Latitude 47 and/or its subsidiaries could share the Existing Annual Caps under the NL47 Procurement Framework Agreement and that no separate announcement was therefore required.

In addition, the Company should have complied with the relevant reporting and announcement requirements under Chapter 14A of the Listing Rules in respect of the sales of raw materials to North Latitude 47 and/or its subsidiaries as and when such obligations arose. However, the Company did not promptly identify that the relevant transactions had exceeded the de minimis threshold under Rule 14A.76(1), owing to an inadvertent lapse in the regular updating and monitoring of the size test calculations. The Company regrettably acknowledges that it has failed to comply with the Listing Rules in a timely manner.

Remedial Actions

The Company deeply regrets its non-compliance with the Listing Rules but it would like to stress that such non-compliance was inadvertent and unintentional. Immediately upon identifying the non-compliances, the Company took proactive steps to rectify the matter and to bring the relevant continuing connected transactions into compliance with Chapter 14A of the Listing Rules, including by entering into the Renewed NL47 Procurement Framework Agreement and the NL47 Sales Framework Agreement and convening the Board meeting to seek approval for, and ratification of, the relevant agreements, the transactions contemplated thereunder (including the transactions conducted before entering into the Renewed NL47 Procurement Framework Agreement and the NL47 Sales Framework Agreement) and the annual caps. The Company also took the initiative to disclose the non-compliances to the public by way of this announcement.

To prevent any recurrence, the Company has taken or will take the following remedial measures:

(i) in October and November 2026, the Company carried out a comprehensive review of its related party transactions and connected transactions;

(ii) in November 2026, the Company circulated training materials on connected transactions to all employees. It will also provide enhanced training to the relevant staff of its finance department, with a focus on the requirements of Chapters 14 and 14A of the Listing Rules;

(iii) the Company will strengthen internal review and cross-checking of size test calculations within its finance department. The finance department of the Company will monitor the percentage ratios of the Group's connected transactions on a monthly basis, taking into account changes in the Company's market capitalisation, and will report promptly to the Board if any transaction is expected to exceed the applicable de minimis thresholds or annual caps;

(iv) the Company will maintain and update regularly a register of its connected persons and their associates, and will circulate it to the heads of its business, procurement and finance departments so that transactions with connected persons can be identified before they are entered into; and

(v) the Company will set up a connected transactions ledger to record the transaction amounts under each framework agreement and other connected transactions on an ongoing basis. The ledger will be reviewed by the finance department of the Company regularly against the applicable annual caps.

Going forward, the Company will strictly monitor its connected transactions and make proper disclosure in a timely manner to ensure compliance with the Listing Rules.

VIII. 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 HLJ

Feihe HLJ is a limited liability company established in the PRC on 21 August 1996 and a wholly owned subsidiary of the Company. Feihe HLJ is primarily engaged in the production and distribution of infant milk formula products.

Information on North Latitude 47

North Latitude 47 is a limited liability company established in the PRC on 7 June 2021. North Latitude 47 is principally engaged in the cultivation, manufacturing and sales of agricultural products, raw materials for infant milk formula and other products.

As at the date of this announcement, North Latitude 47 is held as to approximately 63.88% by Youpeng Investment (Hainan) Co., Ltd.* (友鵬投資(海南)有限公司), a wholly owned subsidiary of Youpeng Investment (HK) Limited, which is in turn ultimately controlled by Mr. Leng Youbin. None of the other shareholders of North Latitude 47 held 30% or more of the interests therein. Therefore, North Latitude 47 is an associate of Mr. Leng Youbin and a connected person of the Company under Chapter 14A of the Listing Rules.

DEFINITIONS

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

"ARA"	arachidonic acid, an omega-6 fatty acid important for growth, immune response, and cellular signaling
"Board"	the board of Directors
"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
"DHA"	docosahexaenoic acid, a long-chain omega-3 polyunsaturated fatty acid that is a structural component of cell membranes and is naturally present in human milk and various foods, and is commonly used as a nutritional ingredient in infant formula and other dairy nutrition products
"Directors"	the directors of the Company
"Existing Annual Caps"	the existing annual caps for the transactions contemplated under the NL47 Procurement Framework Agreement for the years ending 31 December 2025, 2026 and 2027
"Feihe HLJ"	Heilongjiang Feihe Dairy Co., Ltd.* (黑龍江飛鶴乳業有限公司), a limited liability company established in the PRC on 21 August 1996 and a wholly owned subsidiary of the Company
"GOS"	galacto-oligosaccharides
"Group"	the Company and its subsidiaries
"HMO"	human milk oligosaccharides
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"New Annual Caps"	the annual caps for the transactions contemplated under the Renewed NL47 Procurement Framework Agreement for the years ending 31 December 2026, 2027 and 2028

"NL47 Procurement Framework Agreement"	the agreement dated 14 October 2025 entered into between Feihe HLJ and North Latitude 47 relating to the procurement of products by Feihe HLJ and/or its subsidiaries from North Latitude 47 and/or its subsidiaries, as amended and extended by the Supplemental Agreement
"NL47 Sales Framework Agreement"	the agreement dated 13 November 2026 entered into between Feihe HLJ and North Latitude 47 relating to the sales of certain raw materials by Feihe HLJ and/or its subsidiaries to North Latitude 47 and/or its subsidiaries
"NL47 Storage and Logistics Service Framework Agreement"	the agreement dated 13 November 2026 entered into between Feihe HLJ and North Latitude 47 relating to the provision of warehousing and storage services and logistics service by Feihe HLJ and/or its subsidiaries to North Latitude 47 and/or its subsidiaries
"North Latitude 47"	Heilongjiang North Latitude 47 Green Organic Food Co., Ltd.* (黑龍江北緯四十七度綠色有機食品有限公司), a limited liability company established in the PRC on 7 June 2021
"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
"Renewed NL47 Procurement Framework Agreement"	the NL47 Procurement Framework Agreement and its Supplemental Agreement, both entered into between Feihe HLJ and North Latitude 47 relating to the procurement of products by Feihe HLJ and/or its subsidiaries from North Latitude 47 and/or its subsidiaries
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	the shareholders of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supplemental Agreement"	the supplemental agreement to the NL47 Procurement Framework Agreement dated 13 November 2026 entered into between Feihe HLJ and NL47

"WPC"	whey protein concentrate
"%"	Per cent

By Order of the Board
China Feihe Limited
LENG Youbin
Chairman

Beijing, China, 13 November 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.

* *For identification purposes only*