

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



China Feihe Limited

中國飛鶴有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6186)

**DISCLOSEABLE TRANSACTIONS
SUBSCRIPTION OF FINANCIAL PRODUCTS**

SUBSCRIPTION OF FINANCIAL PRODUCTS

The Board announces that the Group had subscribed for wealth management and structured deposit financial products offered by CITIC Bank and Construction Bank in 2021 and 2022.

LISTING RULES IMPLICATIONS

As each of the CITIC Financial Products and the Construction Financial Products were subscribed with the same bank and are of similar nature, they would, in each case, during the relevant period be aggregated as if there were one transaction with that bank for the purpose of calculating the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules. As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules), on an aggregate basis, in respect of each of the Subscriptions during the relevant period exceeds 5% but is less than 25%, the Subscriptions constitute discloseable transactions of the Company for the purpose of the Listing Rules and are subject to the notification and announcement requirements but are exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

The Company should have complied with the relevant notification and announcement requirements under Rule 14.34 of the Listing Rules in respect of each of the Subscriptions as and when such obligations arose. The Company regrettably acknowledges that it has failed to timely comply with the Listing Rules due to its unintentional oversight. The Board has always put great emphasis on the importance of complying with the Listing Rules and the risk assessment of its wealth management and structured deposit financial products. The failure to make timely disclosure was due to a change in personnel in the finance department of the Company who is responsible for overseeing the Company's wealth management and structured deposit financial products, resulting in certain inadvertent omission in aggregating the wealth management and structured deposit financial products purchased from the same bank for the purpose of calculating the applicable size tests, thereby such transactions have not been brought to the attention of the Board as having exceeded the relevant announcement thresholds under the Listing Rules.

SUBSCRIPTION OF FINANCIAL PRODUCTS

The Board announces that the Group had subscribed for wealth management and structured deposit financial products offered by CITIC Bank and Construction Bank in 2021 and 2022. Certain Subscriptions with CITIC Bank and Construction Bank, calculated separately or cumulatively based on the outstanding principal amount, constitute discloseable transactions of the Company for the purpose of the Listing Rules. The key terms of these Subscriptions are set out in the tables below:

I. CITIC Bank

No.	Subscription Date	Product Name	Principal Amount Subscribed (in RMB)	Expected Annual Return Rate %	Maturity/ Redemption Date	Type of Product	Investment Scope
1	28 September 2022	Xinyin Wealth Management An Ying Xiang Fixed Income Stable Semi-Annual Fixed Open No. 1 Private Placement (信銀理財安盈象固收穩健半年定開1號私募理財產品)	300,000,000	3.50% – 4.00%	10 March 2023	Non-principal guaranteed with floating return	Note (a)
2	28 September 2022	Xinyin Wealth Management Allwin Xiangzhiying Stable Fixed Open No. 102 (信銀理財全盈象智贏穩健定開102號理財產品)	500,000,000	3.70% – 4.10%	29 December 2099	Non-principal guaranteed with floating return	Note (a)
3	2 November 2022	Xinyin Wealth Management Allwin Xiangzhiying Growth Fixed Open No. 6 (信銀理財全盈象智贏成長定開6號理財產品)	200,000,000	3.50% – 4.30%	29 December 2099	Non-principal guaranteed with floating return	Note (b)

No.	Subscription Date	Product Name	Principal Amount Subscribed (in RMB)	Expected Annual Return Rate %	Maturity/ Redemption Date	Type of Product	Investment Scope
4	28 November 2022	Xinyin Wealth Management Allwin Xiangzhiying Stable Fixed Open No. 90 (信銀理財全盈象智贏穩健定開90號理財產品)	500,000,000	3.50%	29 December 2099	Non-principal guaranteed with floating return	Note (a)
5	28 November 2022	Xinyin Wealth Management Allwin Xiangzhiying Stable Fixed Open No. 128 (信銀理財全盈象智贏穩健定開128號理財產品)	500,000,000	3.85%	29 December 2099	Non-principal guaranteed with floating return	Notes (a) and (c)
6	16 December 2022	Xinyin Wealth Management Allwin Xiangzhiying Stable Fixed Open No. 94 (信銀理財全盈象智贏穩健定開94號理財產品)	400,000,000	3.30% – 3.70%	29 December 2099	Non-principal guaranteed with floating return	Note (a)
7	16 December 2022	Xinyin Wealth Management Allwin Xiangzhiying Stable Fixed Open No. 129 (信銀理財全盈象智贏穩健定開129號理財產品)	600,000,000	3.65% – 4.05%	29 December 2099	Non-principal guaranteed with floating return	Note (a)
		Total	3,000,000,000				Note (d)

Notes:

- (a) The relevant financial products invest in debt assets and non-standardized debt assets;
- (b) The relevant financial products invest in debt assets, non-standardized debt assets, equity assets, commodities and financial derivatives;
- (c) The subscription of such product first triggered the disclosure obligations for wealth management and structured deposit financial products subscribed by the Group from CITIC Bank in 2022, on an aggregate basis, under Chapter 14 of the Listing Rules;
- (d) As none of the CITIC Financial Products listed in the table was redeemed during the year ended 31 December 2022, the maximum balance of the principal of the CITIC Financial Products during the year ended 31 December 2022 is RMB3,000,000,000.

II. Construction Bank

No.	Subscription Date	Product Name	Principal Amount Subscribed (in RMB)	Expected Annual Return Rate %	Maturity Date	Type of Product	Investment Scope
1	31 March 2021	Jianxin Wealth Management Jiaxin (Institutional Exclusive) Fixed Income Closed-Ended Product 2021 No. 8 (建信理財「嘉鑫」(機構專享) 固收類封閉式產品 2021年第8期)	258,800,000	4.20%	31 March 2022	Non-principal guaranteed with floating return	Note (a)
2	21 May 2021	Jianxin Wealth Management Institutional Exclusive Ruixin Fixed Income Closed-Ended Product 2021 No. 31 (建信理財機構專享「睿鑫」固收類封閉式產品 2021年第31期)	400,000,000	4.10%	23 May 2022	Non-principal guaranteed with floating return	Fixed income assets
3	10 June 2021	Jianxin Wealth Management Institutional Exclusive Ruixin Fixed Income Closed-Ended Product 2021 No. 44 (建信理財機構專享「睿鑫」固收類封閉式產品 2021年第44期)	500,000,000	4.10%	14 June 2022	Non-principal guaranteed with floating return	Non-standardized debt asset, other assets
4	10 June 2021	Jianxin Wealth Management Institutional Exclusive Ruixin Fixed Income Closed-Ended Product 2021 No. 45 (建信理財機構專享「睿鑫」固收類封閉式產品 2021年第45期)	500,000,000	4.10%	14 June 2022	Non-principal guaranteed with floating return	Non-standardized debt asset, other assets Note (b)
5	14 July 2021	Jianxin Wealth Management Institutional Exclusive Ruixin Fixed Income Closed-Ended Product 2021 No. 72 (建信理財機構專享「睿鑫」固收類封閉式產品 2021年第72期)	500,000,000	3.80%	12 April 2022	Non-principal guaranteed with floating return	Fixed income assets
6	21 July 2021	Jianxin Wealth Management Institutional Exclusive Ruixin Fixed Income Closed-Ended Product 2021 No. 73 (建信理財機構專享「睿鑫」固收類封閉式產品 2021年第73期)	500,000,000	3.80%	19 April 2022	Non-principal guaranteed with floating return	Fixed income assets
7	17 September 2021	Jianxin Wealth Management Institutional Exclusive Jiaxin Fixed Income Closed-Ended Product 2021 No. 68 (建信理財機構專享「嘉鑫」固收類封閉式產品 2021年第68期)	60,000,000	4.35%	27 September 2022	Non-principal guaranteed with floating return	Fixed income assets, other assets

No.	Subscription Date	Product Name	Principal Amount Subscribed (in RMB)	Expected Annual Return Rate %	Maturity Date	Type of Product	Investment Scope
8	15 October 2021	Jianxin Wealth Management Institutional Exclusive Ruixin Fixed Income Closed-Ended Product 2021 No. 16 (建信理財機構專享「睿鑫」固收類封閉式產品2021年第16期)	200,000,000	4.10%	19 October 2022	Non-principal guaranteed with floating return	Fixed income assets, other assets
9	26 October 2021	Jianxin Wealth Management Institutional Exclusive Ruixin Fixed Income Closed-Ended Product 2021 No. 160 (Changzu Anxin) (建信理財機構專享「睿鑫」固收類封閉式產品2021年第160期(長租安心))	100,000,000	4.00%	15 November 2022	Non-principal guaranteed with floating return	Fixed income assets, other assets
10	22 December 2021	Jianxin Wealth Management Institutional Exclusive Jiaxin Fixed Income Closed-Ended Product 2021 No. 204 (建信理財機構專享嘉鑫固收類封閉式產品2021年第204期)	500,000,000	4.15%	22 December 2022	Non-principal guaranteed with floating return	Fixed income assets, other assets
11	6 January 2022	Jianxin Wealth Management Institutional Exclusive Jiaxin Fixed Income Closed-End Product 2022 No. 19 (建信理財機構專享嘉鑫固收類封閉式產品2022年第19期)	300,000,000	4.15%	11 January 2023	Non-principal guaranteed with floating return	Fixed income assets, other assets
12	18 February 2022	Jianxin Wealth Management Institutional Exclusive Jiaxin Fixed Income Closed-End Product 2022 No. 53 (建信理財機構專享嘉鑫固收類封閉式產品2022年第53期)	100,000,000	4.10%	23 February 2023	Non-principal guaranteed with floating return	Fixed income assets, other assets
13	17 March 2022	Jianxin Wealth Management Hengying Daily Open-Ended Products (建信理財「恒贏」(法人版)按日開放式淨值型人民幣理財產品)	5,400,000	2.90%	No fixed term	Non-principal guaranteed with floating return	Note (c)
14	27 April 2022	Jianxin Wealth Management Institutional Exclusive Jiaxin Fixed Income Closed-End Product 2022 No. 10 (建信理財機構專享嘉鑫固收類封閉式產品2022年第10期)	200,000,000	4.10%	27 April 2023	Non-principal guaranteed with floating return	Fixed income assets, other assets

No.	Subscription Date	Product Name	Principal Amount Subscribed (in RMB)	Expected Annual Return Rate %	Maturity Date	Type of Product	Investment Scope
15	12 May 2022	Jianxin Wealth Management Institutional Exclusive Jiaxin Fixed Income Closed-End Product 2022 No. 78 (建信理財機構專享嘉鑫固收類封閉式產品2022年第78期)	300,000,000	4.10%	15 May 2023	Non-principal guaranteed with floating return	Fixed income assets, other assets
16	25 May 2022	Jianxin Wealth Management Institutional Exclusive Jiaxin Fixed Income Closed-End Product 2022 No. 129 (建信理財機構專享嘉鑫固收類封閉式產品2022年第129期)	200,000,000	4.00%	29 May 2023	Non-principal guaranteed with floating return	Fixed income assets, other assets
17	15 June 2022	Jianxin Wealth Management Institutional Exclusive Jiaxin Fixed Income Closed-End Product 2022 No. 127 (建信理財機構專享嘉鑫固收類封閉式產品2022年第127期)	100,000,000	3.90%	19 June 2023	Non-principal guaranteed with floating return	Fixed income assets, other assets
18	23 June 2022	Jianxin Wealth Management Institutional Exclusive Jiaxin Fixed Income Closed-End Product 2022 No. 133 (建信理財機構專享嘉鑫固收類封閉式產品2022年第133期)	300,000,000	4.20%	24 June 2024	Non-principal guaranteed with floating return	Fixed income assets, other assets
19	24 June 2022	Jianxin Wealth Management Institutional Exclusive Jiaxin Fixed Income Closed-End Product 2022 No. 134 (建信理財機構專享嘉鑫固收類封閉式產品2022年第134期)	500,000,000	3.75%	27 June 2023	Non-principal guaranteed with floating return	Fixed income assets, other assets
20	30 June 2022	Jianxin Wealth Management Institutional Exclusive Jiaxin Fixed Income Closed-End Product 2022 No. 136 (建信理財機構專享嘉鑫固收類封閉式產品2022年第136期)	400,000,000	3.90%	3 July 2023	Non-principal guaranteed with floating return	Fixed income assets, other assets
21	22 September 2022	Jianxin Wealth Management Institutional Exclusive Jiaxin Fixed Income Closed-End Product 2022 No. 159 (建信理財機構專享嘉鑫固收類封閉式產品2022年第159期)	300,000,000	3.70%	26 September 2023	Non-principal guaranteed with floating return	Fixed income assets, other assets

No.	Subscription Date	Product Name	Principal Amount Subscribed (in RMB)	Expected Annual Return Rate %	Maturity Date	Type of Product	Investment Scope
22	21 December 2022	Jianxin Wealth Management Institutional Exclusive Jiaxin Fixed Income Closed-End Product 2022 No. 189 (建信理財機構專享嘉鑫固收類封閉式產品2022年第189期)	500,000,000	3.80%	21 December 2023	Non-principal guaranteed with floating return	Fixed income assets, other assets
23	28 December 2022	Jianxin Currency B (建信貨幣B)	300,000,000	2.15%	3 January 2023	Non-principal guaranteed with floating return	Note (d)
		Total	3,505,400,000				Note (e)

* Certain Subscriptions were made with different branches of Construction Bank.

Notes:

- (a) The relevant financial products invest in cash assets, money market instruments, money market funds, bond funds and other securities investment funds, standardized fixed-income assets, and non-standardized debt asset, as well as other assets that meet regulatory requirements;
- (b) The subscription of such product first triggered the disclosure obligations for wealth management and structured deposit financial products subscribed by the Group from Construction Bank in 2021, on an aggregate basis, under Chapter 14 of the Listing Rules;
- (c) The relevant financial products invest in cash assets, money market instruments, money market funds and standardized fixed-income assets, as well as other assets that meet regulatory requirements;
- (d) The relevant financial products invest in cash; bank deposits, bond repurchases, central bank bills and interbank certificates of deposit with maturities of one year or less (including one year); bonds, asset-backed securities and non-financial corporate debt financing instruments with remaining maturities of 397 days or less (including 397 days); and other money market instruments with good liquidity recognized by laws and regulations or the China Securities Regulatory Commission and the People's Bank of China;
- (e) As certain wealth management and structured deposit financial products purchased from Construction Bank in 2021 remained immature or unredeemed in 2022, the maximum balance of the principal of the Construction Financial Products during the year ended 31 December 2022 is RMB3,924,200,000.

As at 31 December 2022, the aggregated outstanding principal amount of the Group's respective wealth management and structured deposit financial products subscribed from CITIC Bank and Construction Bank was RMB3,000,000,000 and RMB3,505,400,000, respectively.

BASIS OF DETERMINATION FOR THE CONSIDERATION

The Directors confirmed that the considerations of the Subscriptions were determined on the basis of commercial terms negotiated at arm's length between the Group and each of CITIC Bank and Construction Bank, having considered (i) the then available surplus cash of the Group for treasury management purpose; and (ii) the expected investment return and terms of the relevant products.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS OF THE CITIC FINANCIAL PRODUCTS AND CONSTRUCTION FINANCIAL PRODUCTS

Using temporary idle funds reasonably and effectively will enhance the capital gain of the Company, which is consistent with the core objectives of the Company to ensure capital safety and liquidity and meet the capital needs of the Group's daily operations and dividend payment, etc. The risk associated with subscription of wealth management and structured deposit financial products is low, while the Company can enjoy a relatively higher return from investments in wealth management and structured deposit financial products than current savings or time deposits generally offered by commercial banks in the PRC.

The Directors consider that the terms and the transactions contemplated under the agreements in respect of each of the relevant wealth management and structured deposit financial products subscribed from CITIC Bank and Construction Bank are fair and reasonable, on normal commercial terms, and are in the interests of the Company and its Shareholders as a whole.

The Group has implemented adequate and appropriate internal control procedures to ensure the Subscriptions would not affect the working capital or the operations of the Group, and that such investments would be conducted on the principle of protecting the interests of the Company and its Shareholders as a whole.

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 CITIC Bank

CITIC Bank is a joint stock limited company incorporated in the PRC, whose H shares and A shares are listed on the Stock Exchange (stock code: 998) and Shanghai Stock Exchange (stock code: 601998), respectively. CITIC Bank provides a full range of financial products and services to its customers nationwide, with corporate banking, personal banking and financial market operations as its principal businesses.

As at the date of this announcement, to the best knowledge and belief of the Directors and having made all reasonable enquiries, CITIC Bank and its ultimate substantial beneficial owners as publicly disclosed by CITIC Bank are independent third parties of the Company and its connected persons.

Information on Construction Bank

Construction Bank is a joint stock limited company incorporated in the PRC, whose H shares and A shares are listed on the Stock Exchange (stock code: 939) and Shanghai Stock Exchange (stock code: 601939), respectively. The principal businesses of Construction Bank include provision of corporate and personal banking services, treasury business, asset management, trustee, finance leasing, investment banking, insurance and other financial services.

As at the date of this announcement, to the best knowledge and belief of the Directors and having made all reasonable enquiries, Construction Bank and its ultimate substantial beneficial owners as publicly disclosed by Construction Bank are independent third parties of the Company and its connected persons.

LISTING RULES IMPLICATIONS

As each of the CITIC Financial Products and the Construction Financial Products were subscribed with the same bank and are of similar nature, they would, in each case, during the relevant period be aggregated as if there were one transaction with that bank for the purpose of calculating the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules. As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules), on an aggregate basis, in respect of each of the Subscriptions during the relevant period exceeds 5% but is less than 25%, the Subscriptions constitute discloseable transactions of the Company for the purpose of the Listing Rules and are subject to the notification and announcement requirements but are exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

The Company should have complied with the relevant notification and announcement requirements under Rule 14.34 of the Listing Rules in respect of each of the Subscriptions as and when such obligations arose. The Company regrettably acknowledges that it has failed to timely comply with the Listing Rules due to its unintentional oversight. The Board has always put great emphasis on the importance of complying with the Listing Rules and the risk assessment of its wealth management and structured deposit financial products. The failure to make timely disclosure was due to a change in personnel in the finance department of the Company who is responsible for overseeing the Company's wealth management and structured deposit financial products, resulting in certain inadvertent omission in aggregating the wealth management and structured deposit financial products purchased from the same bank for the purpose of calculating the applicable size tests, thereby such transactions have not been brought to the attention of the Board as having exceeded the relevant announcement thresholds under the Listing Rules.

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. The Company has no intention to withhold any information relating to the Subscriptions from disclosure to the public. In order to prevent similar cases from occurring in the future, the Company has implemented the following remedial actions from April 2023:

- i. the Company has conducted a comprehensive review and examination of the subscription of wealth management and structured deposit financial products and will publish an announcement regarding the subscription of wealth management and structured deposit financial products pursuant to Rule 14.34 the Listing Rules;
- ii. the Company will strengthen the training provided to the responsible staff in the finance department of the Company, especially the relevant requirements under Chapters 14 and 14A of the Listing Rules;
- iii. the Company will further emphasize the importance of compliance with the Listing Rules and, with the assistance of its legal advisers, the Company will offer more regular training on the relevant requirements for aggregating similar transactions conducting with the same parties and will remind the responsible staff in the finance department of the Company, senior management of the Company and Directors of such requirements such that they can effectively identify circumstances which may trigger any disclosure obligation under the Listing Rules; and
- iv. the Company will (a) strengthen the coordination and reporting arrangements for notifiable transactions within the Group to reduce human clerical error, (b) designate specific employees to monitor the transaction amount of any transactions falling into the definition under Rule 14.04(1) of the Listing Rules, (c) strengthen review and cross-check of the calculation of the relevant size tests within the finance department of the Company, and (d) arrange for a monthly review of the Company's financial assets breakdown by the finance department of the Company.

Going forward, the Company will strictly monitor its subscription of wealth management and structured deposit financial products and make proper disclosure in a timely manner to ensure compliance with the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below, unless the context requires otherwise:

“Board”	the board of directors of the Company
“CITIC Bank”	China CITIC Bank Corporation Limited (中信銀行股份有限公司)
“CITIC Financial Product(s)”	the wealth management and structured deposit financial products issued by CITIC Bank and subscribed by the Company, and a “CITIC Financial Product” shall mean each and any one of them
“Company”	China Feihe Limited, an exempted company incorporated in the Cayman Islands with limited liability on 26 October 2012
“connected person”	has the meaning ascribed thereto in the Listing Rules
“Construction Bank”	China Construction Bank Corporation (中國建設銀行股份有限公司)
“Construction Financial Product(s)”	the wealth management and structured deposit financial products issued by Construction Bank and subscribed by the Company, and a “Construction Financial Product” shall mean each and any one of them
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“independent third party(ies)”	an individual(s) or a company(ies) who or which, to the best knowledge and belief of the Directors and having made all reasonable enquiries, is(are) not a connected person of the Company within the meaning of the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China excluding, for the purposes of this announcement, the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscriptions” the subscriptions by the Company of the CITIC Financial Products
and the Construction Financial Products

“%” Per cent

By Order of the Board
China Feihe Limited
LENG Youbin
Chairman

Beijing, China, 19 April 2023

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.