

18 January 2021

To: The Board of Directors

China ZhongDi Dairy Holdings Company Limited
20/F, 238 Des Voeux Road Central
Hong Kong

Dear Sirs,

**MANDATORY CONDITIONAL CASH OFFER BY
CLSA LIMITED
FOR AND ON BEHALF OF WHOLESOME HARVEST LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
CHINA ZHONGDI DAIRY HOLDINGS COMPANY LIMITED
(OTHER THAN THOSE ALREADY OWNED
BY WHOLESOME HARVEST LIMITED)**

We refer to the statement(s) containing an estimate of the unaudited consolidated profit before biological fair value adjustments and after biological fair value adjustments, respectively, attributable to owners of China ZhongDi Dairy Holdings Company Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) for the ten months ended 31 October 2020 (the “**Profit Estimate**”) as disclosed under (i) the section headed “IV. MATERIAL CHANGE” in Appendix II to the composite offer and response document (the “**Composite Document**”) jointly issued by Wholesome Harvest Limited and dated 18 January 2021 in connection with the captioned matter; and (ii) the positive profit alert announcement of the Company dated 14 January 2021 (the “**Positive Profit Alert Announcement**”). Capitalized terms used in this report shall have the same meanings as those defined in the Composite Document unless the context requires otherwise.

The statement(s) of the Profit Estimate reads as follows:

*“...as set out in the Positive Profit Alert Announcement, based on a preliminary review of the unaudited consolidated management accounts of the Company for the ten months ended 31 October 2020 (the “**Management Accounts**”), the Company is expected to record an unaudited profit attributable to the Shareholders for the ten months ended 31 October 2020 (before biological fair value adjustments) of approximately RMB394,506,000 and an unaudited profit*

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attributable to the Shareholders for the ten months ended 31 October 2020 (after biological fair value adjustments) of approximately RMB235,968,000, which represents a significant improvement compared to: (i) the audited profit attributable to the Shareholders for the year ended 31 December 2019 (before biological fair value adjustments) of RMB239,390,000; (ii) the audited profit attributable to the Shareholders for the year ended 31 December 2019 (after biological fair value adjustments) of RMB104,335,000; (iii) the unaudited profit attributable to the Shareholders for the six months ended 30 June 2020 (before biological fair value adjustments) of RMB155,376,000; and (iv) the unaudited profit attributable to the Shareholders for the six months ended 30 June 2020 (after biological fair value adjustments) of RMB104,910,000. The Board believes the significant increase in unaudited profit attributable to the Shareholders for the ten months ended 31 October 2020 was mainly attributable to an increase in both the selling price and sales volume of raw fresh milk during the relevant period, thanks to the Group's intensified marketing efforts, as well as the increased yield per dairy cow and the growth in milking herd."

The Profit Estimate constitutes a profit forecast under Rule 10 of the Takeovers Code and therefore, must be reported on by the financial adviser or independent financial adviser, and the auditor or consultant accountants of the Company. This report is issued in compliance with the requirements under Rule 10.4 and Note 1(c) to Rules 10.1 and 10.2 of the Takeovers Code.

We have reviewed the Profit Estimate and other relevant information and documents, in particular, the Management Accounts which you as the Directors are solely responsible for and discussed with the management of the Group the information and supporting documents which formed the basis of preparing the Management Accounts which arrived at the Profit Estimate. In respect of the accounting policies and calculations concerned, upon which the Profit Estimate has been made, we have relied upon the report dated 18 January 2021 addressed to the Board by Ernst & Young, being the auditor of the Company. The text of such report is set out in Appendix V to the Composite Document. Ernst & Young is of the opinion that so far as the accounting policies and calculations are concerned, the Profit Estimate has been properly compiled in accordance with the bases adopted by the Directors and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the annual report of the Company for the year ended 31 December 2019 except for the adoption of new standards and interpretations effective as of 1 January 2020 as disclosed in the interim report of the Company for the six months ended 30 June 2020.

Based on the above, we are of the opinion that the Profit Estimate, for which the Directors are solely responsible, has been made with due care and consideration.

Yours faithfully,
For and on behalf of
Opus Capital Limited



Cheung On Kit Andrew
Executive Director