



Ernst & Young  
22/F, CITIC Tower  
1 Tim Mei Avenue  
Central, Hong Kong

安永會計師事務所  
香港中環添美道1號  
中信大廈22樓

Tel 電話: +852 2846 9888  
Fax 傳真: +852 2868 4432  
ey.com

18 January 2021

The Board of Directors  
**China ZhongDi Dairy Holdings Company Limited**  
20/F,  
238 Des Voeux Road Central,  
Hong Kong

Dear Sirs,

### **Profit estimate for the ten months ended 31 October 2020**

We refer to the 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**”, together with its subsidiaries, collectively referred to as the “**Group**”) for the ten months ended 31 October 2020 (the “**Profit Estimate**”) set forth in the positive profit alert announcement of the Company dated 14 January 2021, which is referred to in the section headed “IV. MATERIAL CHANGE” in Appendix II to the composite offer and response document jointly issued by Wholesome Harvest Limited and the Company dated 18 January 2021 in connection with the mandatory conditional cash offer. The Profit Estimate constitutes a profit forecast under Rule 10 of the Code on Takeovers and Mergers issued by the Securities and Futures Commission (the “**Takeovers Code**”) and is therefore required to be reported on under Rule 10 of the Takeovers Code.

### **Directors’ responsibilities**

The Profit Estimate has been prepared by the directors of the Company (the “**Directors**”) based on the unaudited consolidated management accounts of the Company for the ten months ended 31 October 2020.

The Directors are solely responsible for the Profit Estimate.

### **Our independence and quality control**

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



### Reporting accountants' responsibilities

Our responsibility is to express an opinion on the accounting policies and calculations of the Profit Estimate based on our procedures.

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500 *Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness* and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Directors have properly compiled the Profit Estimate in accordance with the bases adopted by the Directors and as to whether the Profit Estimate is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

### Opinion

In our opinion, 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 Company's annual report 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 Company's interim report for the six months ended 30 June 2020.

Yours faithfully,

A handwritten signature in cursive script that reads 'Ernst &amp; Young'.

Certified Public Accountants  
Hong Kong