

**DATED 27 SEPTEMBER, 2020**

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**SHARE SUBSCRIPTION AGREEMENT**

**WHOLESOME HARVEST LIMITED**

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THIS SHARE SUBSCRIPTION AGREEMENT is made on 27 September, 2020 (the "**Effective Date**")

**BETWEEN**

- (1) Hongkong Jingang Trade Holding Co., Limited, a company incorporated under the laws of Hong Kong ("**JG**");
- (2) Mr. Zhang Jianshe, a Chinese national with ID number of 110101196004172032;
- (3) YeGu Investment Company Limited, a company incorporated under the laws of the Cayman Islands ("**YeGu**");
- (4) Green Farmlands Group, a company incorporated under the laws of the Cayman Islands ("**Green Farmlands**", together with the persons in (2) and (3), "**Zhang**"); and
- (5) Wholesome Harvest Limited (the "**Company**"), an exempted company in the Cayman Islands.

**WHEREAS:**

- (A) JG has agreed to (i) transfer to the Company 432,641,522 shares of China ZhongDi Dairy Holdings Co. Ltd., a company incorporated in the Cayman Islands and listed on the Hong Kong Stock Exchange (the "**ListCo**") legally and beneficially held by JG and in addition, (ii) contribute HK\$1,659,738,400 to the Company, which is equal to the total value of 1,466,200,000 shares of the Company calculated based on the price of HK\$1.132 per share, in exchange for 1,898,841,522 ordinary shares issued by the Company.
- (B) As at the date of this Agreement, Mr. Zhang Jianshe is the sole shareholder of YeGu which directly holds 392,088,000 shares of ListCo and indirectly holds, through YeGu's wholly owned subsidiary, Green Farmlands, 315,790,000 shares of ListCo. As the beneficial owner, Zhang has agreed to procure YeGu and Green Farmlands to transfer the above 707,878,000 shares of the ListCo to the Company in exchange for 707,878,000 ordinary shares issued by the Company.

**IT IS HEREBY AGREED as follows:**

**1. DEFINITIONS AND INTERPRETATION**

- 1.1 In this Agreement (including the preamble and recitals hereto), unless the subject or context otherwise requires these words and expressions shall have the following meaning:

"**Agreement**" means this share subscription agreement;

"**Business Day(s)**" means any day that is not a Saturday, Sunday, legal holiday or other day on which commercial banks are required or authorised by laws to be closed in mainland China and Hong Kong;

"**Completion**" means the completion of the Share Subscriptions contemplated under and pursuant to the terms and conditions of this Agreement (the date that the Completion occurs, the "**Completion Date**");

"**Composite Document**" means the composite offer and response document to be jointly issued by the Company and the ListCo in accordance with the Takeovers Code containing, among other things, details of the Offer, the recommendation from the independent board committee in respect of the Offer and the advice from the independent financial adviser to the independent board committee in respect of the Offer;

"**Executive**" means the executive director of the Corporate Finance Division of the Securities and Futures Commission and any delegate of the executive director;



**"Listing Rules"** means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

**"Offer"** means the possible mandatory conditional cash offer to be made by the Company to acquire all the shares of the ListCo (other than those already owned and/or agreed to be acquired by the Company) in accordance with the Takeovers Code with an intention to privatize the ListCo; and **"Takeovers Code"** means the Codes on Takeovers and Mergers of Hong Kong (as amended from time to time).

1.2 In construing this Agreement, unless otherwise specified:

- (a) References to clauses are to clauses of this Agreement.
- (b) References to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be amended, modified or re-enacted.
- (c) Headings and titles are for convenience only and do not affect the interpretation of this Agreement.
- (d) References to "\$" or "US\$" means the lawful currency of the United States of America. References to "HK\$" or "Hong Kong Dollar" means the lawful currency of Hong Kong Special Administrative Region.
- (e) References to "payments" shall be construed as references to "payments in immediately available and freely transferable funds".
- (f) References to a "person" shall be construed so as to include any individual, firm, company or other body corporate, government, state or agency of a state, local or municipal authority or government body or any joint venture, association or partnership (whether or not having separate legal personality); and in each case, its successors and assigns and persons deriving title under or through it, in whole or in part, and any person which replaces any party to any document in its respective role thereunder, whether by assuming the rights and obligations of the party being replaced or whether by executing a document in or substantially in the form of the document it replaces.
- (g) Words of one gender shall be held to include the other gender as the context requires.
- (h) The parties have each participated in the negotiation and drafting of this Agreement and if an ambiguity or question of interpretation should arise, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favouring or burdening either party by virtue of the authorship of any of the provisions in this Agreement.

## 2. SHARE SUBSCRIPTIONS

- 2.1 On the Completion Date, JG shall (i) transfer 432,641,522 shares of the ListCo legally and beneficially held by JG free from all encumbrances and with all rights, benefits and entitlements now or hereafter attached thereto (the **"JG Shares"**) and (ii) contribute HK\$1,659,738,400 to the Company (the **"JG Contribution"**) in exchange for 1,898,841,522 ordinary shares issued by the Company (the **"JG Subscription Shares"**) in accordance with this Agreement (the transaction in this Clause 2.1, the **"JG Share Subscription"**).
- 2.2 On the Completion Date, Zhang shall procure YeGu and Green Farmlands to transfer any credits standing in their securities accounts representing 707,878,000 shares of the ListCo (all of which are beneficially held by Zhang), comprising (i) 392,088,000 shares of the ListCo owned by YeGu (the **"YeGu Shares"**) and (ii) 315,790,000 shares of the ListCo owned by Green Farmlands (the **"Green Farmlands Shares"**), in each case, free from all encumbrances and with all rights, benefits and entitlements now or hereafter attached thereto (the YeGu Shares together with the Green Farmlands Shares, the **"Zhang Shares"**) to the securities account held by the Company in exchange for 707,878,000 ordinary shares issued by the Company to YeGu (the **"Zhang Subscription Shares"**) in accordance with this Agreement (the **"Zhang Share Subscription,"** together with the JG Share Subscription, the **"Share Subscriptions"**).



### 3. COMPLETION

3.1 Completion shall take place within ten (10) Business Days after the fulfilment (or waiver, where applicable) of each of the following conditions, or any other date as may be agreed by the parties:

- (a) the passing of all necessary resolutions by the independent Shareholders (as required under the Takeovers Code) at the general meeting of the Company pursuant to the requirements under the Takeovers Code and/or the Listing Rules to effect this Agreement;
- (b) the Executive granting "special deal" consent under Rule 25 of the Takeovers Code in relation to this Agreement having been obtained and not having been revoked;
- (c) the receipt of antitrust clearance from the State Administration for Market Regulation of the People's Republic of China;
- (d) JG's warranties in Clause 4 shall be true and correct in all respects as of the Completion; and
- (e) Zhang's warranties in Clause 5 shall be true and correct in all respects as of the Completion;

provided that, the foregoing conditions (a), (b) and (c) are not waivable, the foregoing condition (d) can be waived by Zhang in its sole discretion, and the foregoing condition (e) can be waived by JG in its sole discretion.

3.2 On or prior to the Completion Date, JG shall deliver or cause to be delivered to the Company:

- (a) a duly executed share transfer form executed by JG in respect of the JG Shares registered in the name of JG in favour of the Company or such other person as the Company may nominate;
- (b) the share certificate(s) for the JG Shares (if issued) for cancellation;
- (c) a certified true copy of the register of members of the Listco showing JG as the current registered holder of the JG Shares;
- (d) a copy of the resolutions passed by the directors of JG approving:
  - (i) the entry into and performance by JG of its obligations under this Agreement;
  - (ii) the transfer of the JG Shares to the Company, the JG Contribution and the JG Subscription;
- (e) a duly executed subscription letter for the subscription of the JG Subscription Shares by JG in the form agreed between the parties (the "**JG Subscription Letter**"); and
- (f) such waiver or consents (if any) as the Company may require to be registered as holder of the JG Subscription Shares.

3.3 On or prior to the Completion Date, Zhang shall procure YeGu and Green Farmlands to deliver or cause to be delivered to the Company:

- (a) an irrevocable transfer instruction and/or such other document(s) to the extent necessary executed by YeGu in respect of the YeGu Shares to its security broker for the transfer of all the credits standing in its securities brokerage account with regard to the YeGu Shares to a security brokerage account designated by the Company in writing;
- (b) an irrevocable transfer instruction and/or such other document(s) to the extent necessary executed by Green Farmlands in respect of the Green Farmlands Shares to its security broker for the transfer of all the credits standing in its securities brokerage account with

regard to the Green Farmlands Shares to a security brokerage account designated by the Company in writing;

- (c) a copy of the resolutions passed by the each of the directors of YeGu and Green Farmlands approving:
  - (i) the entry into and performance by Zhang of its obligations under this Agreement;
  - (ii) the transfer of the YeGu Shares and Green Farmlands Shares (as the case may be) to the Company and the Zhang Subscription;
- (d) a duly executed subscription letter for the subscription of Zhang Subscription Shares by YeGu in the form agreed between the parties (together with the JG Subscription Letter, the "**Subscription Letters**"); and
- (e) such waiver or consents (if any) as the Company may require to be registered as holder of the Zhang Subscription Shares.

3.4 On or around the Completion Date and upon compliance of the provisions set out in Clause 3.2 and Clause 3.3 above, the Company shall:

- (a) deliver or cause to be delivered to JG and YeGu, a certified true copy of the sole director's resolutions of the Company approving:
  - (i) the allotment and issue of the JG Subscription Shares and Zhang Subscription Shares;
  - (ii) the Subscription Letters;
  - (iii) the entering in the register of members of the Company, the names of each of JG and YeGu as holders of the JG Subscription Shares and Zhang Subscription Shares, respectively;
  - (iv) the issue of share certificates to each of JG and YeGu; and
  - (v) the JG Contribution to be credited towards the capital of the Company;
- (b) provide the details of the securities brokerage account of the Company (including but not limited to the CCASS account name and number) in writing by the Company to Zhang;
- (c) issue the JG Subscription Shares and Zhang Subscription Shares in accordance with the Subscription Letters and this Agreement; and
- (d) enter JG and YeGu's names in the register of the Company and issue share certificates to each of JG and YeGu as registered holders of the JG Subscription Share and Zhang Subscription Shares, respectively.

3.5 Upon receipt by the Listco of original or certified copies of the duly executed share transfer forms and true copies of directors' resolutions approving the transfer of JG Shares to the Company as aforementioned in Clauses 3.2(a), 3.2(d), Zhang shall procure the Listco to enter the Company's name in the register of members of the Listco as the holder of the JG Shares and Zhang Shares on the Completion Date, and provide a copy of the extract of the list of shareholders from its Hong Kong share registrar showing that the Company is the registered holder of the 432,641,522 Shares within or around 3 Business Days from the Completion Date.



- 3.6 Upon receipt by the securities broker of the documents as aforementioned in Clauses 3.3(a) and 3.3(b), Zhang shall procure the transfer of the credits standing in YeGu's and Green Farmlands' securities brokerage accounts with regard to the YeGu Shares and Green Farmlands Shares to the security brokerage account designated by the Company on the Completion Date.
- 3.7 Any stamp or similar duties and/or taxes chargeable and payable in connection with any transfers or transactions effected pursuant to or contemplated by this Agreement shall be split and borne by the transferee and the transferors of JG Shares, YeGu Shares and Green Farmlands Shares (as the case maybe) in equal shares respectively.

#### **4. JG'S WARRANTIES**

4.1 JG warrants to Zhang that:

- (a) JG is the sole legal and beneficial owner of the JG Shares;
- (b) there is no option, right to acquire, mortgage, charge, pledge, lien or other form of security or encumbrance or equity on, over or affecting the JG Shares registered in its name and there is no agreement or commitment to give or create any and no claim has been made by any person to be entitled to any;
- (c) JG has the requisite power and authority to enter into and perform this Agreement; and
- (d) this Agreement constitutes binding obligations of JG in accordance with its terms.

#### **5. ZHANG'S WARRANTIES**

5.1 Zhang jointly and severally warrant to JG that:

- (a) Zhang are the beneficial owners of the Zhang Shares;
- (b) there is no option, right to acquire, mortgage, charge, pledge, lien or other form of security or encumbrance or equity on, over or affecting the Zhang Shares (either registered in their names, or held through any securities brokerage accounts held by Zhang) and there is no agreement or commitment to give or create any and no claim has been made by any person to be entitled to any;
- (c) Zhang have the requisite power and authority to enter into and perform this Agreement; and
- (d) this Agreement constitutes binding obligations of Zhang in accordance with its terms.

#### **6. TERMINATION**

- 6.1 The Agreement may be terminated by mutual written consent of the parties.

#### **7. ENTIRE AGREEMENT**

- 7.1 This Agreement constitute the whole and only agreement between the parties relating to the Share Subscriptions.
- 7.2 Except in the case of fraud or willful misconduct, no party shall have any right of action against any other party to this Agreement arising out of or in connection with any draft, agreement, undertaking, representation, warranty, promise, assurance or arrangement of any nature whatsoever, whether or not in writing, relating to the subject matter of this Agreement made or given by any person at any time prior to the date of this Agreement.

## 8. NOTICES

8.1 Any notice or other communication given or made under or in connection with the matters contemplated by this Agreement shall be in writing, in the English language, and may be sent by a recognised courier service, prepaid airmail (in the case of international service), email or may be delivered personally to the address of the relevant party as set out below, or at such other address as may have been notified to the other parties in writing. Without prejudice to the foregoing, any notice shall be deemed to have been received:

- (a) if sent by a recognised courier service, 48 hours after the time when the letter containing the same is delivered to the courier service;
- (b) if sent by email, on the same day or if not a working day, the next working day;
- (c) if sent by prepaid airmail, five days after the date of posting; and
- (d) if delivered personally, on the same day or if not a working day, the next working day..

8.2 The contact information for the purpose of this Agreement are as follows:

### JG

Address:	Rm1802B,18/F 18 Hysan Avenue Causeway Bay Hong Kong
Telephone:	+852 2677 8723
Email:	zhongyueyi@yili.com
Attention:	Joey Chung

### Zhang

Representative of Zhang (notice to such person constitutes notice to every member of Zhang)	Mr. Zhang Jianshe
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Address:	10/F, BLOCK A TIMES FORTUNE COMPOUND NO. A6, SHUGUANG XILI CHAOYANG DISTRICT BEIJING, CHINA
Telephone:	+86 138 0115 8077
Email:	zhangjianshe@zhongdidairy.hk
Attention:	Mr. Zhang Jianshe

## 9. ANNOUNCEMENTS

9.1 No announcements concerning the Share Subscriptions or any ancillary matter shall be made by either party without the prior written approval of each other party, such approval not to be unreasonably withheld or delayed, except as required by law, the Listing Rules, the Takeovers Code or by any competent regulatory authority.

9.2 The parties give consent to the issue of the announcement incorporating a reference to this Agreement, or in any announcements, circulars and documents to be made by ListCo and/or the



Company relating to the Offer pursuant to the Listing Rules and the Takeovers Code. The parties acknowledge that this Agreement will be available for inspection during the offer period.

- 9.3 The parties undertake to assist and provide any information as may be required to be disclosed in any announcements, circulars and documents to be made by ListCo and/or the Company relating to the Offer to the extent that it relates to this Agreement and anything in relation thereto as required by relevant regulatory regulations and rules or requested by the relevant regulators.

## **10. COSTS**

- 10.1 Each of the parties shall pay his/its own costs and expenses in relation to the Share Subscriptions and to the preparation, execution and carrying into effect of this Agreement and all other documents referred to in it.

## **11. COUNTERPARTS**

- 11.1 This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument. Any party may enter into this Agreement by executing any such counterpart.

## **12. GENERAL**

- 12.1 If any provision in this Agreement shall be held to be illegal, invalid or unenforceable, in whole or in part, such provision or part shall to that extent be deemed not to form part of this Agreement, but the legality, validity and enforceability of the remainder of this Agreement shall not be affected.
- 12.2 No variation of this Agreement shall be effective unless in writing and signed by or on behalf of each of the parties.
- 12.3 Failure to exercise, or any delay in exercising, any right or remedy provided under this Agreement or by law shall not constitute a waiver of that or any other right or remedy, nor shall it preclude or restrict any further exercise of that or any other right or remedy.
- 12.4 No single or partial exercise of any right or remedy provided under this Agreement or by law shall preclude or restrict the further exercise of that or any other right or remedy. The rights and remedies contained in this Agreement are cumulative and not exclusive of rights and remedies provided by law.
- 12.5 The relationship between the parties hereto does not constitute a partnership and nothing in this Agreement shall constitute or be deemed to constitute a partnership between the parties hereto and none of them shall have any authority to bind the others as partners in any way.

## **13. GOVERNING LAW; DISPUTE RESOLUTION**

- 13.1 This Agreement and the rights and obligations of the parties shall be governed by and construed in accordance with the laws of Hong Kong, without regard to the conflict of laws thereunder.
- 13.2 Any dispute, controversy, difference or claim (the "**Dispute**") arising out of or in connection with the Agreement, including the existence, validity, interpretation, performance, breach or termination thereof or any Dispute regarding non-contractual obligations arising out of or in connection with to this Agreement, shall be first settled through friendly negotiation by both parties. In case no settlement to the Dispute can be reached through amicable negotiation by both parties within thirty (30) days after the initiate of such amicable negotiation, each Party is entitled to submit the Dispute to Hong Kong International Arbitration Centre ("**HKIAC**") for arbitration administered by the HKIAC under the HKIAC Administered Arbitration Rules in force when the Notice of Arbitration is submitted. The seat of arbitration shall be Hong Kong. The arbitral award is final and binding upon both parties. The arbitration shall be conducted in English. There shall be one arbitrator jointly approved by both parties.

**14. FURTHER ASSURANCE**

- 14.1 Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the Completion, including the satisfaction of conditions in Clauses 3.1(a) to (c).

**15. EXCLUDING THIRD PARTY RIGHTS**

- 15.1 A person who is not a party to this Agreement shall not have any rights under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce any term of this Agreement.



IN WITNESS whereof this Agreement has been executed and delivered on the Effective Date.

SIGNED for and on behalf of **WHOLESOME** )  
**HARVEST LIMITED**

方诗怡

)

BY: 

Name:  
Director

Wang Xiaogang

SIGNED for and on behalf of **HONGKONG** )  
**JINGANG TRADE HOLDING CO., LIMITED**

方诗怡

)

BY: 

Name:  
Director

Wang Xiaogang

IN WITNESS whereof this Agreement has been executed and delivered on the Effective Date.

SIGNED by Mr. ZHANG JIANSHE )

in the presence of: Lian Enchen )

张建设

BY: 张建设

SIGNED for and on behalf of YEGU )  
INVESTMENT COMPANY LIMITED

in the presence of: Lian Enchen )

张建设

BY: 张建设

Name: Zhang Jianshe  
Director

SIGNED for and on behalf of GREEN )  
FARMLANDS GROUP

in the presence of: Lian Enchen )

张建设

BY: 张建设

Name: Zhang Jianshe  
Director