
THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this notice or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in China ZhongDi Dairy Holdings Company Limited, you should at once hand this notice to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

WHOLESOME HARVEST LIMITED

(Incorporated in the Cayman Islands with limited liability)

**Notice of compulsory acquisition of the shares of
China ZhongDi Dairy Holdings Company Limited**

*Incorporated in the Cayman Islands with limited liability (Stock Code: 1492)
(Section 88(1) of the Companies Act (Cap. 22 (Law 3 of 1961) as consolidated and amended)
of the Cayman Islands (the “Companies Act”))*

**FOLLOWING THE MANDATORY 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)**

*To: The Shareholders holding the Remaining Offer Shares (as defined hereunder) (the
“Remaining Offer Shareholders”)*

INTRODUCTION

References are made to (i) the composite document jointly issued by Wholesome Harvest Limited (the “**Offeror**”) and China ZhongDi Dairy Holdings Company Limited (“**ZhongDi Dairy**”) dated 18 January 2021 (the “**Composite Document**”); (ii) the announcement jointly issued by the Offeror and ZhongDi Dairy dated 26 January 2021 in relation to, among other things, the Offeror had received valid acceptances in respect of not less than 90% of the Offer Shares and not less than 90% of the Disinterested Shares; and (iii) the announcement jointly issued by the Offeror and ZhongDi Dairy dated 8 February 2021 in relation to, among other things, the close of the Offer at 4:00 p.m. on 8 February 2021 (the “**Closing Announcement**”).

As at 4:00 p.m. on 8 February 2021, being the latest time and date for acceptance of the Offer, the Offeror had received valid acceptances in respect of 1,443,788,000 Shares (the “**Acceptance Shares**”), representing approximately 55.39% of the issued Shares as at the date of the Closing Announcement and approximately 98.47% of the Offer Shares. As disclosed in the Closing Announcement, the Offeror will privatise ZhongDi Dairy by exercising its rights, pursuant to section 88 of the Companies Act, to compulsorily acquire (the “**Compulsory Acquisition**”) those Offer Shares not acquired by the Offeror under the Offer (the “**Remaining Offer Shares**”).

Capitalised terms used herein shall have the same meanings as those defined in the Composite Document and/or the Closing Announcement, unless the context requires otherwise.

NOTICE OF COMPULSORY ACQUISITION

Pursuant to section 88(1) of the Companies Act, the Offeror, having received valid acceptances of the Offer in respect of not less than ninety per cent of the Offer Shares, hereby gives you notice that:

- (a) the Offeror will acquire all of the Remaining Offer Shares registered in your name on the Record Date (as defined below); and
- (b) unless an application to object to the Compulsory Acquisition is made to the Grand Court of the Cayman Islands (the “**Cayman Court**”) by you (or another Remaining Offer Shareholder) within one month from the date of this notice and such objection is ultimately upheld by the Cayman Court, the Offeror will be entitled and bound to acquire your Remaining Offer Shares at HK\$1.132 per Remaining Offer Share (the “**Compulsory Acquisition Consideration**”) in cash in accordance with the terms of the Offer and as set out below.

The Remaining Offer Shares will be acquired by the Offeror at the date of completion of the Compulsory Acquisition (the “**Acquisition Completion Date**”) free from all rights of pre-emption, options, liens, claims, equities, charges, encumbrances and any other third party rights of any nature and together with all rights attached to them, including the right to receive in full all dividends and other distributions, if any, declared.

Section 88 of the Companies Act is set out in the Appendix I to this notice.

The prescribed form of Notice to Dissenting Shareholders (pursuant to section 88(1) of the Companies Act) is set out in the Appendix II to this notice.

If you are in doubt as to your rights and obligations under the Cayman Islands Companies Act in respect of the Compulsory Acquisition, you should consult a solicitor or other professional adviser qualified to advise on matters of Cayman Islands law.

PROCEDURES FOR TRANSFER AND SETTLEMENT

To facilitate the despatch of the Compulsory Acquisition Consideration (less seller’s ad valorem stamp duty) to the Remaining Offer Shareholders, the register of members of ZhongDi Dairy will be closed from Monday, 21 June 2021 onwards. Remaining Offer Shareholders whose names appear on the register of members of ZhongDi Dairy on Monday, 21 June 2021 (the “**Record Date**”) will be entitled to receive the Compulsory Acquisition Consideration (less seller’s ad valorem stamp duty).

On 24 June 2021, the Offeror will pay to ZhongDi Dairy the aggregate consideration (less seller's ad valorem stamp duty) due to the Remaining Offer Shareholders. ZhongDi Dairy will hold such sum in a separate bank account on trust for these Remaining Offer Shareholders as required under the Cayman Islands Companies Act until the earlier of (i) the Remaining Offer Shareholders are paid HK\$1.132 per Remaining Offer Share (less seller's ad valorem stamp duty) in accordance with the terms of the Offer; or (ii) the expiry of six years from the Acquisition Completion Date.

If your name appears on the register of members of ZhongDi Dairy on the Record Date, ZhongDi Dairy will on 23 June 2021 execute, as your agent, a consolidated transfer form and a sold note in respect of all the Remaining Offer Shares (which will include the Remaining Offer Shares registered in your name on the Record Date) for the purposes of stamping and payment of stamp duty. Following the execution and stamping of the transfer documentation, on the Acquisition Completion Date, which is expected to be on 25 June 2021, the register of members of ZhongDi Dairy will be updated to record the Offeror as the registered holder of all the Remaining Offer Shares (which will include the Remaining Offer Shares registered in your name on the Record Date), thereby transferring those shares to the Offeror. The share certificates for the Remaining Offer Shares registered in your name will be deemed cancelled and will no longer be the evidence of title to the shares of ZhongDi Dairy with effect from the Acquisition Completion Date. Thereafter, as soon as practicable and in any event not later than mid of July 2021, a cheque will be despatched to you, by ordinary post and at your own risk, consisting of the Compulsory Acquisition Consideration (less seller's ad valorem stamp duty) payable to you in respect of the Remaining Offer Shares registered in your name on the Record Date.

By Order of the Board

For and on behalf of
Wholesome Harvest Limited
Wang Xiaogang
Sole Director

Dated: 21 May 2021

Appendix I

Section 88 of the Companies Act of the Cayman Islands

Power to acquire shares of dissentient shareholders

88. (1) Where a scheme or contract involving the transfer of shares or any class of shares in a company (in this section referred to as “**the transferor company**”) to another company, whether a company within the meaning of this Law or not (in this section referred to as “**the transferee company**”) has, within four months after the making of the offer in that behalf by the transferee company, been approved by the holders of not less than ninety per cent in value of the shares affected, the transferee company may, at any time within two months after the expiration of the said four months, give notice in the prescribed manner to any dissenting shareholder that it desires to acquire his shares, and where such notice is given the transferee company shall, unless on an application made by the dissenting shareholder within one month from the date on which the notice was given, the Court thinks fit to order otherwise, be entitled and bound to acquire those shares on the terms on which under the scheme or contract the shares of the approving shareholders are to be transferred to the transferee company.
- (2) Where a notice has been given by the transferee company under this section and the Court has not, on an application made by the dissenting shareholder, ordered to the contrary, the transferee company shall, on the expiration of one month from the date on which the notice has been given or, if an application to the Court by the dissenting shareholder is then pending, after that application has been disposed of, transmit a copy of the notice to the transferor company and pay or transfer to the transferor company the amount or other consideration representing the price payable by the transferee company for the shares which by virtue of this section that company is entitled to acquire, and the transferor company shall thereupon register the transferee company as the holder of those shares.
- (3) Any sums received by the transferor company under this section shall be paid into a separate bank account, and any such sums and any other consideration so received shall be held by that company on trust for the several persons entitled to the shares in respect of which the said sum or other consideration were respectively received.
- (4) In this section – “dissenting shareholder” includes a shareholder who has not assented to the scheme or contract and any shareholder who has failed or refused to transfer his shares to the transferee company, in accordance with the scheme or contract.

Note: “Court” is defined to mean the Grand Court of the Cayman Islands by section 2(1) of the Companies Act.

Appendix II

COMPANIES ACT (2021 Revision)

NOTICE TO DISSENTING SHAREHOLDERS

(pursuant to section 88(1) of the Companies Act (2021 Revision))

In the matter of **CHINA ZHONGDI DAIRY HOLDINGS COMPANY LIMITED** 中國中地乳業
控股有限公司 (Stock Code: 1492) (hereinafter called the “**transferor company**”)

Notice by Wholesome Harvest Limited (hereinafter called the “**transferee company**”)

To: (name and address of dissenting shareholder)

WHEREAS on 18 January 2021, the transferee company made an offer to all the holders of ordinary shares in the transferor company **AND WHEREAS** up to 26 January 2021, being a date within four months after the making thereof, such offer was approved by the holders of not less than ninety per cent in value of the said ordinary shares.

NOW THEREFORE the transferee company in pursuance of section 88(1) of the Companies Act (2021 Revision), hereby give you notice that it desires to acquire the ordinary shares held by you in the transferor company **AND** further take notice that, unless on an application made by you within one month from the date on which this notice is given, the Court thinks fit to order otherwise, the transferee company will be entitled and bound to acquire the ordinary shares held by you in the transferor company on the terms on which under the scheme or contract of the approving shareholders are to be transferred to the transferee company.

Wang Xiaogang
Director

For and on behalf of Wholesome Harvest Limited

Date: 21 May 2021