
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular 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 shares in China Youran Dairy Group Limited, you should at once hand this circular, together with the enclosed form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.

This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.



優然牧業
YOURAN DAIRY

China Youran Dairy Group Limited

中國優然牧業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9858)

**(1) CONNECTED TRANSACTION IN RELATION TO
THE SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE;
(2) APPLICATION FOR WHITEWASH WAIVER;
AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

Financial Advisors to the Company for the Specific Mandate Subscription

J.P.Morgan

 **CITIC SECURITIES**

Independent Financial Adviser

RAINBOW.

RAINBOW CAPITAL (HK) LIMITED
溢博資本有限公司

Capitalised terms used in this cover page have the same meanings as defined in this circular. A letter from the Board is set out on pages 8 to 24 of this circular.

A notice convening the EGM to be held at No. 169, Hexi Road, Saihan District, Hohhot, Inner Mongolia, China on Friday, May 22, 2026 at 11:00 a.m. (or immediately after the AGM, whichever is later) or any adjournment thereof is set out on pages 103 to 105 of this circular. A form of proxy for use at the EGM or any adjournment thereof is enclosed.

Whether or not you propose to attend the EGM you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. at 11:00 a.m. on Wednesday, May 20, 2026) or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

April 30, 2026

TABLE OF CONTENTS

	<i>Page</i>
DEFINITIONS	1
EXPECTED TIMETABLE	7
LETTER FROM THE BOARD	8
LETTER FROM THE TAKEOVERS CODE INDEPENDENT BOARD COMMITTEE	25
LETTER FROM THE LISTING RULES INDEPENDENT BOARD COMMITTEE	27
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER	29
APPENDIX I — FINANCIAL INFORMATION OF THE GROUP	51
APPENDIX II — SUMMARY OF PROPERTY VALUATION REPORT	55
APPENDIX III — GENERAL INFORMATION	92
NOTICE OF EGM	103

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“Announcement”	the announcement of the Company dated January 16, 2026 in relation to the Specific Mandate Subscription and the Whitewash Waiver
“AGM”	the annual general meeting of the Company to be convened and held at No. 169, Hexi Road, Saihan District, Hohhot, Inner Mongolia, China on Friday, May 22, 2026 at 10:00 a.m.
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Boyuan”	Boyuan Investment Holding Limited (博源投資控股有限公司), formerly known as China Youran Dairy Holding Limited (中國優然牧業控股有限公司), a company incorporated in the Cayman Islands, which is a wholly-owned subsidiary of Yili, and is held as to 91.64% and 8.36% by Yili and Jingang, respectively
“Business Day”	a day (other than a Saturday or Sunday or public holiday in Hong Kong and any day on which a tropical cyclone warning no. 8 or above or a “black” rain warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are open in Hong Kong for general commercial business
“Company”	China Youran Dairy Group Limited (中國優然牧業集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability on August 21, 2020, whose Shares are listed on the Main Board of the Stock Exchange (stock code: 9858)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“CSRC”	China Securities Regulatory Commission

DEFINITIONS

“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held at No. 169, Hexi Road, Saihan District, Hohhot, Inner Mongolia, China on Friday, May 22, 2026 at 11:00 a.m. (or immediately after the AGM, whichever is later), to consider and, if thought fit, pass the requisite resolutions to approve: (i) the Specific Mandate Subscription; and (ii) the Whitewash Waiver
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate(s) of the Executive Director
“General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution of the Company passed at the annual general meeting of the Company held on May 23, 2025 to allot, issue and deal with new Shares not exceeding 20% of the aggregate number of the issued Shares as at the date of the passing of such resolution, pursuant to which a maximum of 778,545,566 new Shares may fall to be allotted and issued
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committees”	collectively, the Listing Rules Independent Board Committee and the Takeovers Code Independent Board Committee
“Independent Financial Adviser”	Rainbow Capital (HK) Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, the independent financial adviser appointed by the Independent Board Committees to advise the Independent Board Committees and the Independent Shareholders as to whether the Specific Mandate Subscription and the Whitewash Waiver are fair and reasonable and make recommendation on voting

DEFINITIONS

“Independent Shareholders”	the Shareholders other than (i) Boyuan and its associate (if any) and any parties acting in concert with it; (ii) those who have material interest in the Specific Mandate Subscription or any other person who is required by the Listing Rules to abstain from voting on the resolutions approving the Specific Mandate Subscription and/or the Whitewash Waiver (if any); and (iii) those who are interested or involved in the Specific Mandate Subscription and Whitewash Waiver
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which, as far as the Directors are aware after having made all reasonable enquiries, is/are not (i) a connected person(s) of the Company within the meaning of the Listing Rules or (ii) a person(s) acting in concert with Boyuan, Jingang or Yili within the meaning of the Takeovers Code
“Jingang”	Hong Kong Jingang Trade Holding Co., Limited (香港金港商貿控股有限公司), a company incorporated in Hong Kong with limited liability, and a wholly-owned subsidiary of Yili
“Last Trading Date”	January 15, 2026, being the last trading day prior to the signing of the Specific Mandate Subscription Agreement
“Latest Practicable Date”	April 27, 2026, being the latest practicable date prior to the publication of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Listing Rules Independent Board Committee”	an independent board committee of the Company comprising all the independent non-executive Directors who have no direct or indirect interest in the Specific Mandate Subscription (namely Ms. Xie Xiaoyan, Mr. Yao Feng and Ms. Huang Lin), which is formed in accordance with the Listing Rules to advise the Independent Shareholders on the Specific Mandate Subscription

DEFINITIONS

“Placees”	professional, institutional and other investors selected and procured by or on behalf of J.P. Morgan Securities (Asia Pacific) Limited and CLSA Limited to subscribe for 299,250,000 Shares pursuant to the placing and subscription agreement dated January 16, 2026 entered into by the Company, Boyuan, J.P. Morgan Securities (Asia Pacific) Limited and CLSA Limited
“Placing and Top-up Subscription”	the placing and top-up subscription of 299,250,000 Shares pursuant to the placing and subscription agreement dated January 16, 2026 entered into by the Company, Boyuan, J.P. Morgan Securities (Asia Pacific) Limited and CLSA Limited as disclosed in the Announcement
“PRC”	the People’s Republic of China, and for the purpose of this circular only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Relevant Period”	the period commencing from July 17, 2025, being 6 months preceding the date of the Announcement, and ending on the Latest Practicable Date
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of par value US\$0.00001 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Specific Mandate”	the specific mandate to be sought from the Independent Shareholders at the EGM and to be granted to the Board for the allotment and issue of the Specific Mandate Subscription Shares
“Specific Mandate Subscription”	the subscription of the Specific Mandate Subscription Shares by Boyuan pursuant to the terms and conditions of the Specific Mandate Subscription Agreement

DEFINITIONS

“Specific Mandate Subscription Agreement”	the share subscription agreement dated January 16, 2026 entered into between the Company as the issuer and Boyuan as the subscriber in respect of the Specific Mandate Subscription
“Specific Mandate Subscription Price”	HK\$3.92 per Specific Mandate Subscription Share
“Specific Mandate Subscription Shares”	an aggregate of 299,250,000 new Shares to be allotted and issued by the Company and subscribed by Boyuan in accordance with the terms and conditions of the Specific Mandate Subscription Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	The Code on Takeovers and Mergers (as amended, modified and supplemented from time to time)
“Takeovers Code Independent Board Committee”	an independent board committee of the Company comprising all the non-executive Directors and independent non-executive Directors who are not interested or involved in the Specific Mandate Subscription and the Whitewash Waiver (namely Mr. Xu, Zhan Kevin, Ms. Xie Xiaoyan, Mr. Yao Feng and Ms. Huang Lin), which is formed in accordance with Rule 2.8 of the Takeovers Code to advise the Independent Shareholders on the Specific Mandate Subscription and the Whitewash Waiver
“Whitewash Waiver”	the whitewash waiver from the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of any obligation of Boyuan to make a mandatory general offer for all the issued Shares and other securities of the Company (other than those already owned or agreed to be acquired by Boyuan and parties acting in concert with it) which might otherwise arise as a result of Specific Mandate Subscription

DEFINITIONS

“Yili”

Inner Mongolia Yili Industrial Group Co., Ltd. (內蒙古伊利實業集團股份有限公司), a company established under the laws of the PRC in June 1993 and whose shares are listed on the Shanghai Stock Exchange (stock code: 600887), and the controlling shareholder of the Company

“%”

per cent.

EXPECTED TIMETABLE

Set out below is the expected timetable for the Specific Mandate Subscription. The expected timetable is subject to the results of the EGM and satisfaction of the conditions to the Specific Mandate Subscription Agreement and granting of the Whitewash Waiver, and is therefore for indicative purpose only. Any change to the expected timetable will be announced in separate announcement(s) by the Company as and when appropriate. All times and dates in this circular refer to Hong Kong local times and dates.

Event	Time and Date
Dispatch date of this circular and notice of EGM	Thursday, April 30, 2026
Latest time for lodging transfer documents and relevant share certificates to be eligible to attend and vote at the EGM	4:30 p.m. on Monday, May 18, 2026
Register of members of the Company close for determining entitlement to attend and vote at the EGM (both dates inclusive)	Tuesday, May 19, 2026 to Friday, May 22, 2026
Latest time for lodging forms of proxy for the EGM	11:00 a.m. on Wednesday, May 20, 2026
Record date for attending and voting at the EGM	Friday, May 22, 2026
EGM	11:00 a.m. (or immediately after the AGM, whichever is later) on Friday, May 22, 2026
Announcement of results of the EGM	Friday, May 22, 2026
Completion of the Specific Mandate Subscription	Friday, May 29, 2026



優然牧業
YOURAN DAIRY

China Youran Dairy Group Limited

中國優然牧業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9858)

Executive Directors:

Mr. Hao Haijun (*Chairman and President*)

Mr. Dong Jiping

Ms. Meng Yilan

Registered Office:

89 Nexus Way

Camana Bay, Grand Cayman

KY1-9009, Cayman Islands

Non-executive Directors:

Mr. Bai Wenzhong

Ms. Li Lin

Mr. Xu, Zhan Kevin

*Headquarter and principal place of
business in the PRC:*

No. 169, Hexi Road, Saihan District

Hohhot, Inner Mongolia

China

Independent non-executive Directors:

Ms. Xie Xiaoyan

Mr. Yao Feng

Ms. Huang Lin

April 30, 2026

To the Shareholders

Dear Sir or Madam,

**(1) CONNECTED TRANSACTION IN RELATION TO
THE SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE;
(2) APPLICATION FOR WHITEWASH WAIVER;
AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the Announcement.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, (i) details of the Specific Mandate Subscription; (ii) the Whitewash Waiver; (iii) a letter of advice from the Takeovers Code Independent Board Committee and a letter of advice from the Listing Rules Independent Board Committee; (iv) a letter of advice from the Independent Financial Adviser; and (v) a notice of EGM, to enable you to make an informed decision on whether to vote in favour or against the proposed resolutions at the EGM.

THE SPECIFIC MANDATE SUBSCRIPTION

On January 16, 2026, the Company entered into the Specific Mandate Subscription Agreement with Boyuan, pursuant to which the Company has conditionally agreed to allot and issue, and Boyuan has conditionally agreed to subscribe for, the Specific Mandate Subscription Shares at the Specific Mandate Subscription Price of HK\$3.92 per Specific Mandate Subscription Share in accordance with the terms and conditions as set out in the Specific Mandate Subscription Agreement.

The principal terms of the Specific Mandate Subscription Agreement are set out below:

The Specific Mandate Subscription Agreement

Date	16 January 2026
Parties	(a) the Company; and (b) Boyuan
Number of Specific Mandate Subscription Shares	299,250,000
Subscription Price per Specific Mandate Subscription Share	HK\$3.92
Aggregate Subscription Price	HK\$1,173,060,000
Aggregate nominal value of Specific Mandate Subscription Shares	US\$2,992.50 (or approximately HK\$23,339.41)

LETTER FROM THE BOARD

Specific Mandate Subscription Shares

The Specific Mandate Subscription Shares shall be issued and allotted pursuant to the Specific Mandate to be sought from the Independent Shareholders at the EGM.

Upon completion of the Specific Mandate Subscription, 299,250,000 new Shares will be allotted and issued by the Company and subscribed by Boyuan in accordance with the terms and conditions of the Specific Mandate Subscription Agreement.

The number of Specific Mandate Subscription Shares, i.e. 299,250,000 Shares, represents: (i) approximately 7.14% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 6.66% of the issued share capital of the Company as enlarged by the allotment and issue of the Specific Mandate Subscription Shares (assuming that, save for the allotment and issue of the Specific Mandate Subscription Shares, there will be no change in the issued share capital of the Company).

The number of Specific Mandate Subscription Shares, i.e. 299,250,000 Shares, have an aggregate nominal value of HK\$23,339.41 and market value of approximately HK\$1,286.78 million based on the closing price of HK\$4.30 per Share as quoted on the Stock Exchange on the Last Trading Date.

Ranking

The Specific Mandate Subscription Shares, when issued and allotted, shall rank *pari passu* in all respects among themselves and with the Shares in issue (including the rights as to dividends, voting and return of capital). Boyuan, as the holder of the Specific Mandate Subscription Shares, will be entitled to receive all future dividends and distributions which are declared, made or paid with reference to a record date falling on or after the date of issuance and allotment of the Specific Mandate Subscription Shares.

The Specific Mandate Subscription Shares, when fully paid, will rank *pari passu* in all respects with the other Shares in issue or to be allotted and issued by the Company on or prior to the date of completion of the Specific Mandate Subscription including the rights to all dividends and other distributions declared, made or paid on or after the date of allotment of the Specific Mandate Subscription Shares.

Specific Mandate Subscription Price

The Specific Mandate Subscription Price of HK\$3.92 per Specific Mandate Subscription Share represents:

- (a) a premium of approximately 4.81% to the closing price of HK\$3.74 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a discount of approximately 8.84% to the closing price of HK\$4.30 per Share as quoted on the Stock Exchange on the Last Trading Date;

LETTER FROM THE BOARD

- (c) a discount of approximately 17.89% to the average closing price of approximately HK\$4.77 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to and including the Last Trading Date;
- (d) a discount of approximately 15.21% to the average closing price of approximately HK\$4.62 per Share as quoted on the Stock Exchange for the last thirty consecutive trading days immediately prior to and including the Last Trading Date;
- (e) a discount of approximately 3.37% to the average closing price of approximately HK\$4.06 per Share as quoted on the Stock Exchange for the last sixty consecutive trading days immediately prior to and including the Last Trading Date;
- (f) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 1.19%, represented by the theoretical diluted price of approximately HK\$4.7134 per Share to the benchmarked price of approximately HK\$4.77 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of (i) the closing price on the date of the Announcement of HK\$4.30 per Share and (ii) the average of the closing prices of the Shares as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Announcement of HK\$4.77 per Share), following the completion of the Placing and Top-up Subscription and based on 299,250,000 new Shares to be issued under the Specific Mandate Subscription at HK\$3.92 per Share;
- (g) a premium of approximately 16.21% to the audited consolidated net asset value per Share attributable to the Shareholders as at December 31, 2024 of approximately HK\$3.3732 per Share calculated based on the audited consolidated net asset of the Group attributable to the Shareholders of approximately RMB12,159,758,000 as at 31 December 2024 as extracted from the annual report of the Company for the year ended 31 December 2024 and 3,892,727,833 Shares then in issue (based on the exchange rate of HK\$1:RMB0.92604 as at December 31, 2024 published by the State Administration of Foreign Exchange for illustration purposes); and
- (h) a premium of approximately 16.59% to the unaudited consolidated net asset value per Share attributable to the Shareholders as at June 30, 2025 of approximately HK\$3.3623 per Share calculated based on the unaudited consolidated net asset of the Group attributable to the Shareholders of approximately RMB11,936,059,000 as at June 30, 2025 as extracted from the interim report of the Company for the six months ended June 30, 2025 and 3,892,727,833 Shares then in issue (based on the exchange rate of HK\$1:RMB0.91195 as at June 30, 2025 published by the State Administration of Foreign Exchange for illustration purposes).

LETTER FROM THE BOARD

The net Specific Mandate Subscription Price (after deduction of all professional fees and related expenses), is estimated to be approximately HK\$3.92 per Specific Mandate Subscription Share.

The Specific Mandate Subscription Price was arrived at after arm's length negotiations between the Company and Boyuan with reference to, among other things, (i) the prevailing market price of the Shares across short and medium term periods, that the Subscription Price represents a discount of approximately 8.84% to the closing price of HK\$4.30 per Share on the Last Trading Date, a discount of approximately 17.89% to the average closing price of approximately HK\$4.77 per Share for the five consecutive trading days prior to the date of the Announcement and a discount of approximately 3.37% to the average closing price of approximately HK\$4.06 per Share for the last sixty consecutive trading days prior to the date of the Announcement; (ii) the market conditions before the date of the Specific Mandate Subscription Agreement, including the market volatility and investors' overall trading sentiment towards the Hong Kong stock market; and (iii) the funding needs and financial position of the Group, given that the Placing and Top-up Subscription and the Specific Mandate Subscription is expected to generate an aggregate of net proceeds of approximately HK\$2,330.18 million for the Company to advance technology enablement and digital transformation, repay interest-bearing debt and optimize capital structure, and replenish working capital.

The Directors noted that the short-term Share price exhibited greater fluctuations compared to its medium-term trading ranges, indicating heightened short-term volatility. To determine the Specific Mandate Subscription Price, the Directors thoroughly evaluated the closing prices of the Shares traded on the Stock Exchange over the last sixty consecutive trading days leading up to the date of the Specific Mandate Subscription Agreement (the "**Reference Period**"). This timeframe was chosen as a benchmark to effectively capture the prevailing market price of the Shares and the market conditions (including market volatility and recent investors' trading sentiment). During the Reference Period, the Shares were traded on the Stock Exchange with closing prices ranging from HK\$2.96 to HK\$5.16. The average closing price observed during the Reference Period was approximately HK\$4.06. Consequently, the Specific Mandate Subscription Price of HK\$3.92 per Specific Mandate Subscription Share reflects (i) a discount of approximately 24.0% in comparison to the highest closing price of HK\$5.16; (ii) a premium of approximately 32.4% over the lowest closing price of HK\$2.96; and (iii) a discount of approximately 3.4% relative to the average closing price of approximately HK\$4.06 noted during the Reference Period. In addition, since the Group generated a loss of RMB247 million for the six months ended June 30, 2025, the Directors considered that offering a moderate discount is commercially reasonable and prudent strategy to attract and secure subscription.

LETTER FROM THE BOARD

The Specific Mandate Subscription is not conditional on the Placing and Top-up Subscription. Nevertheless, the two transactions were negotiated contemporaneously and priced at the same price of HK\$3.92 per Share to maintain consistency across the Company's capital raising exercises and to avoid differential treatment. While each transaction is conducted on its own terms and conditions, the aggregate net proceeds from both transactions (approximately HK\$2,330.18 million) form part of the Company's overall funding plan in meeting its financing requirements and strategic initiatives. In order to implement the Company's technology enablement and digital transformation initiatives effectively (including but not limited to investments in automation, intelligent and electronic equipment, operating platform and intelligent management system), timely and committed funding are required.

Considering the above factors, the Directors (including the non-executive Director not having interest in the Specific Mandate Subscription and independent non-executive Directors whose opinion is contained in the letter from the Takeovers Code Independent Board Committee and the letter from the Listing Rules Independent Board Committee) consider that the terms of the Specific Mandate Subscription Agreement are on normal commercial terms and are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Conditions Precedent

Completion of the Specific Mandate Subscription is conditional upon:

- (i) the Shareholders having approved at the EGM of (i) the Specific Mandate Subscription Agreement and the transactions contemplated thereunder in accordance with the requirements under the Listing Rules and the Takeovers Code; and (ii) the Whitewash Waiver;
- (ii) the granting of the Whitewash Waiver by the Executive and such waiver not having been subsequently revoked or withdrawn;
- (iii) the Listing Committee having granted the listing of and the permission to deal in the Specific Mandate Subscription Shares, and such approval and granting of permission not having been withdrawn or revoked;
- (iv) the warranties given by the Company under the Specific Mandate Subscription Agreement are true and accurate and not misleading when made, and are true and accurate and not misleading on and as of the date of completion of the Specific Mandate Subscription (except to the extent any statement is expressly made as of such a date as otherwise specified therein);

LETTER FROM THE BOARD

- (v) the warranties given by Boyuan under the Specific Mandate Subscription Agreement are true and accurate and not misleading when made, and are true and accurate and not misleading on and as of the date of completion of the Specific Mandate Subscription (except to the extent any statement is expressly made as of such a date as otherwise specified therein);
- (vi) Boyuan and Yili having obtained all necessary internal approvals in relation to the Specific Mandate Subscription Agreement and the transactions contemplated thereunder, including but not limited to the approval of their respective of board of directors; and
- (vii) if the amount to be used by Boyuan for the Specific Mandate Subscription will be sourced or guaranteed by any fund from the PRC, Boyuan and Yili having obtained or completed all necessary approvals and filings with applicable governmental authorities in the PRC in relation to the Specific Mandate Subscription Agreement and the transactions contemplated thereunder.

As at the Latest Practicable Date and based on information available to the Company, other than those specifically set out in conditions (i), (ii), (iii) and (vii) above, the Company is not aware of any other approvals, authorisations, consents, filings and reports which are required as set out in the conditions above.

None of the conditions of the Specific Mandate Subscription can be waived by the parties to the Specific Mandate Subscription Agreement.

Completion of the Specific Mandate Subscription

Completion of the Specific Mandate Subscription shall take place on the day of the satisfaction of all the conditions, or such other date as Boyuan and the Company may agree in writing.

Termination of the Specific Mandate Subscription Agreement

If any of the conditions in the paragraph headed “Conditions Precedent” above has not been satisfied before June 30, 2026, or such date as Boyuan and the Company may agree in writing, the Specific Mandate Subscription Agreement shall terminate with immediate effect.

INFORMATION ON THE GROUP

The Group is primarily engaged in the production and sale of raw milk, and the production, sale and trading of feeds, ruminant farming products and breeding products in the PRC.

LETTER FROM THE BOARD

INFORMATION ON BOYUAN

Boyuan is a company incorporated in the Cayman Islands, it is a wholly-owned subsidiary of Yili, and is held as to 91.64% and 8.36% by Yili and Jingang, respectively. Jingang is a company incorporated in Hong Kong and a wholly-owned subsidiary of Yili.

Yili is a company established under the laws of the PRC in June 1993 whose shares are listed on the Shanghai Stock Exchange (stock code: 600887), and is the Company's controlling shareholder and one of its major customers. Yili is principally engaged in the processing, manufacturing and sales of various dairy products and health drinks in the PRC. Hohhot Investment Co., Ltd. (呼和浩特投資有限責任公司), the largest shareholder of Yili, holds 538,535,826 A shares of Yili (representing approximately 8.51% of Yili's A shares), and is principally engaged in property leasing, asset operation, investment income management and the entrusted management of state-owned assets.

REASONS FOR AND BENEFITS OF THE SPECIFIC MANDATE SUBSCRIPTION AND USE OF PROCEEDS

The Specific Mandate Subscription demonstrates the confidence of Yili and Boyuan in the industry outlook and the Company's long term business development. It also further enlarges the Shareholders' equity base of the Company and supports the development of the Company. The Directors (including the members of the Independent Board Committees whose views are stated in the letter from the Takeovers Code Independent Board Committee and the letter from the Listing Rules Independent Board Committee in respect of the Specific Mandate Subscription and the Whitewash Waiver, after considering the advice of the Independent Financial Adviser) also consider the terms of the Specific Mandate Subscription Agreement to be fair and reasonable, in the interests of the Company and the Shareholders as a whole and that the Specific Mandate Subscription Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and Boyuan.

While the Company has completed the Placing and Top-up Subscription in January 2026 which generated net proceeds of approximately HK\$1,158.59 million, the Company would still need to raise additional funding by way of Specific Mandate Subscription to support its development (including advancing technology enablement and digital transformation, repaying interest-bearing debt and optimizing capital structure, and replenishing working capital). Considering the recent prevailing market conditions and market price of the Shares and the factors as set out above, the Directors (including the members of the Independent Board Committees whose views are stated in the letter from the Takeovers Code Independent Board Committee and the letter from the Listing Rules Independent Board Committee in respect of the Specific Mandate Subscription and the Whitewash Waiver, after considering the advice of the Independent Financial Adviser) consider that the Specific Mandate Subscription represents an opportunity to raise additional funding for business operation of the Group. The Company has considered other alternative fundraising methods, such as debt financing. However, debt financing will have a negative impact on the gearing ratio of the Company and incur additional financing costs. On the other hand, the Specific Mandate Subscription will help the Company to repay certain debts and reduce its overall financing costs.

LETTER FROM THE BOARD

The Specific Mandate Subscription will not result in a change of control of the Company. Boyuan and parties acting in concert with it have also confirmed to the Company that they do not intend to introduce major changes to the Group's existing business and/or operations, the composition of the Board, fixed asset deployment and employment of the current employees. Boyuan has no intention, arrangement, agreement, understanding or negotiation (concluded or otherwise) on (i) injection of any other new business to the Group; (ii) any disposal, termination or scaling down of the existing businesses of the Group; or (iii) any change in the shareholding structure of the Company (save for the Specific Mandate Subscription). It is also the intention of Boyuan to maintain the Company's listing status on the Stock Exchange.

The Company intends to apply the net proceeds from the Specific Mandate Subscription as follows:

- (i) approximately 35% for advancing technology enablement and digital transformation in enhancing operational efficiency. In particular, the Company plans to invest in the procurement, construction and upgrading of intelligent and electronic equipment and facilities of dairy farms, as well as the upgrading of the production lines of feed factories to further enhance the level of automation. In addition, the Company will plan to implement upgrading projects such as replacing fuel-powered vehicles with electric vehicles. The Company also plans to invest in, among others, the development of precision dairy cow feeding project and digital-intelligence large-model system for precision nutrition, the establishment of big data analysis and decision-making platform, and the development of an intelligent management system of forage cultivation. Collectively, these technological and digital initiatives are expected to enhance the Company's operations across the entire industry value chain. These initiatives are also expected to effectively improve the operational efficiency of the Company's principal business while strengthening its core competitiveness;
- (ii) approximately 55% for repaying interest-bearing debt (none of which will be loans from Shareholders) and optimizing capital structure to provide flexibility for potential acquisitions of or investment opportunities. The Company intends to prioritise the settlement of borrowings due within one year, which typically involve relatively higher comprehensive costs. After considering factors such as interest rates of outstanding loans, as well as any applicable break costs or prepayment fees associated with early settlement, such an approach is expected to reduce the Company's financing risk and save interest expenses. It is expected that such repayment of interest-bearing debt will be completed within one year and in any event before December 31, 2026. The repayment of interest-bearing loans would lower the Company's gearing ratio, thereby optimizing the Company's overall capital structure. Furthermore, the Company intends to seize favourable opportunities to acquire high quality dairy farming assets at reasonable prices, accelerate its strategic deployment, meet future market demand and ensure the stability of raw milk supply. As at the Latest Practicable Date, the Company has not identified any target for potential acquisitions or investment opportunities.

LETTER FROM THE BOARD

Further announcement(s) will be made by the Company in accordance with the applicable requirements of the Listing Rules as and when appropriate; and

- (iii) approximately 10% for replenishing working capital and for general corporate purpose.

The following table sets out the expected timeline for the utilization of net proceeds from the Specific Mandate Subscription:

Use of proceeds	Intended use of the net proceeds <i>(Approx. HK\$ million)</i>	Timeline for the utilization of the net proceeds
Advancing technology enablement and digital transformation in enhancing operational efficiency	410.0	Expected to be fully utilized by December 31, 2028 ^(Note 1)
Repaying interest-bearing debt and optimizing capital structure to provide flexibility for potential acquisitions or investment opportunities	644.4	Expected to be fully utilized by December 31, 2026
Replenishing working capital and for general corporate purpose	117.2	Expected to be fully utilized by December 31, 2026

Note 1: The expected timeline for the utilization of the net proceeds for advancing technology enablement and digital transformation in enhancing operational efficiency is based on the Group's best estimation and is subject to change.

LETTER FROM THE BOARD

FUND-RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company has recently completed the Placing and Top-up Subscription on January 26, 2026 and the relevant information is as follows:

Date of announcement	Details of equity fund raising activity	Net proceeds	Intended use of proceeds
January 16, 2026	Allotment and issuance of 299,250,000 new Shares under the General Mandate	Approximately HK\$1,158.59 million	(i) Approximately 35% for advancing technology enablement and digital transformation in enhancing operational efficiency; (ii) approximately 55% for repaying interest-bearing debt and optimizing capital structure to provide flexibility for potential acquisitions or investment opportunities; and (iii) approximately 10% for replenishing working capital and for general corporate purpose.

As at the Latest Practicable Date, the Company has utilized approximately 55% of the net proceeds from the Placing and Top-up Subscription (approximately HK\$637.2 million) for repaying interest-bearing debt. Based on the Group's best estimation, it is expected that the remaining net proceeds from the Placing and Top-up Subscription would be utilized (i) for advancing technology enablement and digital transformation in enhancing operational efficiency by December 31, 2028, and (ii) for replenishing working capital and for general corporate purpose by December 31, 2026, respectively.

Save as disclosed above, the Company has not conducted any fund-raising activities involving the issue of its equity securities in the 12 months immediately preceding the Latest Practicable Date.

As at the Latest Practicable Date, the Company does not have any convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

LETTER FROM THE BOARD

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (a) as at the date of the Latest Practicable Date; and (b) immediately after completion of the Specific Mandate Subscription, assuming there is no other change to the share capital and shareholding structure of the Company from the Latest Practicable Date up to the completion, are set out below:

	As at the Latest Practicable Date		Immediately after completion of the Specific Mandate Subscription	
	Number of Shares	Approximate percentage	Number of Shares	Approximate percentage
Yili and its parties acting in concert (Note 1)				
Boyuan (Note 1)	800,000,000	19.08%	1,099,250,000	24.48%
Jingang (Note 1)	520,800,000	12.42%	520,800,000	11.60%
Subtotal	1,320,800,000	31.51%	1,620,050,000	36.07%
The Placees	299,250,000	7.41%	299,250,000	6.66%
Other Public Shareholders	<u>2,571,927,833</u>	<u>61.35%</u>	<u>2,571,927,833</u>	<u>57.27%</u>
Total	<u>4,191,977,833</u>	<u>100%</u>	<u>4,491,227,833</u>	<u>100%</u>

Notes:

1. As at the Latest Practicable Date, Yili is indirectly interested in 1,320,800,000 Shares through its wholly-owned subsidiaries, Boyuan and Jingang.
2. Certain percentage figures in the above table are subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

APPLICATION FOR LISTING

Application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Specific Mandate Subscription Shares.

APPLICATION FOR WHITEWASH WAIVER

As at the Latest Practicable Date,

- (a) Boyuan (a wholly-owned subsidiary of Yili) holds 800,000,000 Shares, representing approximately 19.08% of the issued share capital of the Company; and
- (b) Jingang (a wholly-owned subsidiary of Yili), a party acting in concert with Boyuan, holds 520,800,000 Shares, representing approximately 12.42% of the issued share capital of the Company.

LETTER FROM THE BOARD

Upon completion of the Specific Mandate Subscription, assuming that there is no other change in the issued share capital of the Company from the Latest Practicable Date to the completion of the Specific Mandate Subscription, (i) the shareholding of Boyuan in the Company will increase from approximately 19.08% to approximately 24.48% of the issued share capital of the Company and (ii) the shareholding of Boyuan and the parties acting in concert with it in the Company will increase from approximately 31.51% to approximately 36.07% of the issued share capital of the Company, in each case as enlarged by the Specific Mandate Subscription Shares.

As such, under Rule 26.1 of the Takeovers Code, the allotment and issuance of the Specific Mandate Subscription Shares would otherwise give rise to an obligation on the part of Boyuan to make a mandatory general offer for all Shares and other securities of the Company (other than those already owned or agreed to be acquired by Boyuan and the parties acting in concert with it), unless the Whitewash Waiver is granted by the Executive. Boyuan has made an application to the Executive for the Whitewash Waiver from compliance with the obligation to make a mandatory general offer for all Shares and other securities of the Company (other than those already owned or agreed to be acquired by Boyuan and the parties acting in concert with it) under Rule 26.1 of the Takeovers Code with respect to the acquisition of the Specific Mandate Subscription Shares. The Whitewash Waiver, if granted, will be subject to, among other things, the approval by at least 75% of the votes cast by the Independent Shareholders by way of poll in respect of the Whitewash Waiver and more than 50% of the votes cast by the Independent Shareholders by way of poll in respect of the Specific Mandate Subscription, respectively, at the EGM.

The Executive may or may not grant the Whitewash Waiver. The Specific Mandate Subscription will not proceed if the Whitewash Waiver is not granted or approved or is invalidated.

As at the Latest Practicable Date, the Company does not believe that the Specific Mandate Subscription gives rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). Should any concern arise after the release of this circular, the Company will endeavour to resolve the matter to the satisfaction of the relevant authority as soon as possible. The Company notes that the Executive may not grant the Whitewash Waiver if the Specific Mandate Subscription does not comply with other applicable rules and regulations.

Shareholders and potential investors are reminded to exercise caution when dealing in the Shares, and are recommended to consult their stockbroker, bank manager, solicitor or other professional adviser if they are in any doubt about their position and as to actions that they should take.

Save for the Placing and Top-up Subscription pursuant to which Boyuan sold 299,250,000 Shares and subscribed for 299,250,000 Shares, neither Boyuan nor any of the parties acting in concert with it has any dealings in the Shares in the 6 months prior to the date of the Announcement and up to the Latest Practicable Date.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Boyuan is a substantial shareholder of the Company, hence, a connected person of the Company.

The Specific Mandate Subscription constitutes a connected transaction of the Company and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Both Mr. Bai Wenzhong (a non-executive Director), who is the director of the financial shared services center (財務共享服務中心) of Yili, and Ms. Li Lin (a non-executive Director), who is a reserve cadre of the president's office of Yili, are deemed to have a material interest in the Specific Mandate Subscription Agreement. Therefore, Mr. Bai Wenzhong and Ms. Li Lin have abstained from voting on the Board resolutions in relation to the Specific Mandate Subscription Agreement. Save as disclosed above, none of the Directors had a material interest in the matters contemplated therein nor was any of them required to abstain from voting on the relevant Board resolutions approving the Specific Mandate Subscription Agreement and the respective transactions contemplated thereunder.

ESTABLISHMENT OF THE TAKEOVERS CODE INDEPENDENT BOARD COMMITTEE AND THE LISTING RULES INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.8 of the Takeovers Code, the Takeovers Code Independent Board Committee (comprising the non-executive Director and independent non-executive Directors who have no direct or indirect interest in the Specific Mandate Subscription and the Whitewash Waiver, namely Mr. Xu, Zhan Kevin, Ms. Xie Xiaoyan, Mr. Yao Feng and Ms. Huang Lin) has been formed to advise the Independent Shareholders as to whether the Specific Mandate Subscription and the Whitewash Waiver are fair and reasonable and make recommendation as to voting. Both Mr. Bai Wenzhong (a non-executive Director), who is the director of the financial shared services center (財務共享服務中心) of Yili, and Ms. Li Lin (a non-executive Director), who is a reserve cadre of the president's office of Yili, are deemed to have a material interest in the Specific Mandate Subscription and the Whitewash Waiver. Therefore, Mr. Bai Wenzhong and Ms. Li Lin have not been included in the Takeovers Code Independent Board Committee.

Pursuant to the Listing Rules, the Listing Rules Independent Board Committee (comprising all the independent non-executive Directors who have no direct or indirect interest in the Specific Mandate Subscription, namely Ms. Xie Xiaoyan, Mr. Yao Feng and Ms. Huang Lin) has been formed to advise the Independent Shareholders as to whether the Specific Mandate Subscription is fair and reasonable and make recommendation as to voting.

The Independent Financial Adviser has been appointed with the approval of the Independent Board Committees to advise the Independent Board Committees and the Independent Shareholders as to whether the Specific Mandate Subscription and the Whitewash Waiver are fair and reasonable and make recommendation on voting.

LETTER FROM THE BOARD

GENERAL

The Specific Mandate Subscription and the Whitewash Waiver are subject to Independent Shareholders' approval. The Specific Mandate Subscription Shares will be allotted and issued under the Specific Mandate to be proposed for approval by the Independent Shareholders by way of an ordinary resolution at the EGM.

The EGM will be convened for the Independent Shareholders to consider, and if thought fit, pass the requisite resolutions to approve, among other things: (i) the Specific Mandate Subscription; and (ii) the Whitewash Waiver. The Specific Mandate Subscription and the Whitewash Waiver are subject to the approval by more than 50% and at least 75% of the votes cast by the Independent Shareholders either in person or by proxy, respectively, at the EGM. The voting at the EGM will be conducted by way of poll.

As at the Latest Practicable Date, the aggregate interest in the Company held by Boyuan, its associates and any parties acting in concert with Boyuan amounted to 1,320,800,000 Shares, representing approximately 31.51% of the issued share capital of the Company. Boyuan, its associates, any parties acting in concert with Boyuan, and any other party who is interested in or involved in the Specific Mandate Subscription and/or the Whitewash Waiver, will abstain from voting in respect of the resolution(s) to approve the Specific Mandate Subscription and the Whitewash Waiver at the EGM.

Save as disclosed above, as at the Latest Practicable Date, no other Shareholder had any material interest in the Specific Mandate Subscription and the Whitewash Waiver, and no other Shareholder was required to abstain from voting at the EGM on the resolutions approving the Specific Mandate Subscription and the Whitewash Waiver.

As disclosed in the Takeovers Bulletin Issue No. 60 March 2022, the Executive expects all meetings with Codes-related resolutions requiring approval of disinterested or independent shareholders to be chaired by a person who is disinterested and independent (as defined under the relevant provisions of the Codes on Takeovers and Mergers and Share Buy-backs). Mr. Hao Haijun, an executive Director and chairman of the Board, who is a disinterested Director, will act as the chairman of the EGM.

A notice convening the EGM to be held at No. 169, Hexi Road, Saihan District, Hohhot, Inner Mongolia, China on Friday, May 22, 2026 at 11:00 a.m. (or immediately after the AGM, whichever is later) is set out on pages 103 to 105 of this circular.

A proxy form for use in connection with the EGM is accompanied with this circular. Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying proxy form in accordance with the instructions printed thereon to the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from subsequently attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish.

LETTER FROM THE BOARD

For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, May 19, 2026 to Friday, May 22, 2026, both days inclusive, during which period no transfer of shares will be registered. The record date for ascertaining Shareholders' eligibility to attend and vote at the EGM will be Friday, May 22, 2026. In order to be eligible to attend and vote at the EGM, unregistered holders of Shares should ensure that all the share transfer documents accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Monday, May 18, 2026.

RECOMMENDATION

Your attention is drawn to: (i) the letter from the Takeovers Code Independent Board Committee set out on pages 25 to 26 of this circular and the letter from the Listing Rules Independent Board Committee set out on pages 27 to 28 of this circular containing their recommendations to the Independent Shareholders in respect of the Specific Mandate Subscription and the Whitewash Waiver and (ii) the letter from the Independent Financial Adviser set out on pages 29 to 50 of this circular, containing its advice to the Takeovers Code Independent Board Committee, the Listing Rules Independent Board Committee and the Independent Shareholders in respect of the Specific Mandate Subscription and the Whitewash Waiver.

The Directors (including the members of the Takeovers Code Independent Board Committee and Listing Rules Independent Board Committee, whose views are set out in the letter from the Takeovers Code Independent Board Committee and the letter from the Listing Rules Independent Board Committee respectively) consider that the terms and conditions of the Specific Mandate Subscription Agreement (including the Specific Mandate Subscription Price) are fair and reasonable, on normal commercial terms, and although not in the ordinary and usual course of business of the Group, are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM.

FURTHER INFORMATION

Your attention is drawn to the additional information set out in Appendix I, Appendix II and Appendix III to this circular.

Since completion of the Specific Mandate Subscription is subject to the fulfilment or waiver (as applicable) of the conditions precedent as set out in the Specific Mandate Subscription Agreement, the Specific Mandate Subscription may or may not proceed.

The Whitewash Waiver may or may not be granted by the Executive and if granted, will, among other things, be subject to the approval by at least 75% of the votes cast by the Independent Shareholders in respect of the Whitewash Waiver and more than 50% of the votes cast by the Independent Shareholders in respect of the Specific

LETTER FROM THE BOARD

Mandate Subscription, respectively, at the EGM. Completion of the Specific Mandate Subscription is conditional upon, among other things, the Whitewash Waiver being granted by the Executive and approved by the Independent Shareholders and the Whitewash Waiver not being invalidated.

Shareholders and potential investors are reminded to exercise caution when dealing in the Shares, and are recommended to consult their stockbroker, bank manager, solicitor or other professional adviser if they are in any doubt about their position and as to actions that they should take.

Yours Faithfully,
For and on behalf of the Board of
China Youran Dairy Group Limited
Hao Haijun
Chairman and Executive Director



優然牧業
YOURAN DAIRY

China Youran Dairy Group Limited

中國優然牧業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9858)

April 30, 2026

To the Independent Shareholders

Dear Sir or Madam,

**(1) CONNECTED TRANSACTION IN RELATION TO
THE SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE;
AND
(2) APPLICATION FOR WHITEWASH WAIVER**

We refer to the circular issued by the Company to its shareholders dated April 30, 2026 (the “**Circular**”) of which this letter forms part. Unless otherwise specified, terms used in this letter shall have the same meanings as defined in the Circular.

We have been appointed by the Board as members of the Takeovers Code Independent Board Committee to advise the Independent Shareholders in respect of whether the terms of the Specific Mandate Subscription and the Whitewash Waiver are fair and reasonable so far as the Independent Shareholders are concerned and to advise the Independent Shareholders on how to vote at the EGM.

Rainbow Capital (HK) Limited has been appointed as the Independent Financial Adviser to advise the Listing Rules Independent Board Committee, Independent Shareholders and us in respect of the terms of the Specific Mandate Subscription and the Whitewash Waiver. Details of the Independent Financial Adviser’s advice and the principal factors and reasons they have taken into consideration in giving such advice are set out on pages 29 to 50 of the Circular. Your attention is also drawn to the letter from the Board set out on pages 8 to 24 of the Circular and the additional information set out in Appendix I, Appendix II and Appendix III thereto.

LETTER FROM THE TAKEOVERS CODE INDEPENDENT BOARD COMMITTEE

Having considered the terms of the Specific Mandate Subscription and the Whitewash Waiver, the advice of the Independent Financial Adviser and the principal factors and reasons taken into consideration by the Independent Financial Adviser, we are of the opinion that the Specific Mandate Subscription is on normal commercial terms and the Specific Mandate Subscription and the Whitewash Waiver are fair and reasonable.

We, therefore, recommend the Independent Shareholders to vote in favour of the relevant resolution(s) to be proposed at the EGM to approve the Specific Mandate Subscription and the Whitewash Waiver.

Yours faithfully,

For and on behalf of
the Takeovers Code Independent Board Committee of
China Youran Dairy Group Limited

Mr. Xu, Zhan Kevin
Non-executive Director

Ms. Xie Xiaoyan
Independent Non-executive Director

Mr. Yao Feng
Independent Non-executive Director

Ms. Huang Lin
Independent Non-executive Director



優然牧業
YOURAN DAIRY

China Youran Dairy Group Limited

中國優然牧業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9858)

April 30, 2026

To the Independent Shareholders

Dear Sir or Madam,

**(1) CONNECTED TRANSACTION IN RELATION TO
THE SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE;
AND
(2) APPLICATION FOR WHITEWASH WAIVER**

We refer to the circular issued by the Company to its shareholders dated April 30, 2026 (the “Circular”) of which this letter forms part. Unless otherwise specified, terms used in this letter shall have the same meanings as defined in the Circular.

We have been appointed by the Board as members of the Listing Rules Independent Board Committee to advise the Independent Shareholders in respect of whether the terms of the Specific Mandate Subscription and the Whitewash Waiver are fair and reasonable so far as the Independent Shareholders are concerned and to advise the Independent Shareholders on how to vote at the EGM.

Rainbow Capital (HK) Limited has been appointed as the Independent Financial Adviser to advise the Takeovers Code Independent Board Committee, Independent Shareholders and us in respect of the terms of the Specific Mandate Subscription and the Whitewash Waiver. Details of the Independent Financial Adviser’s advice and the principal factors and reasons they have taken into consideration in giving such advice are set out on pages 29 to 50 of the Circular. Your attention is also drawn to the letter from the Board set out on pages 8 to 24 of the Circular and the additional information set out in Appendix I, Appendix II and Appendix III thereto.

LETTER FROM THE LISTING RULES INDEPENDENT BOARD COMMITTEE

Having considered the terms of the Specific Mandate Subscription and the Whitewash Waiver, the advice of the Independent Financial Adviser and the principal factors and reasons taken into consideration by the Independent Financial Adviser, we are of the opinion that the Specific Mandate Subscription is on normal commercial terms and the Specific Mandate Subscription and the Whitewash Waiver are fair and reasonable, and although not in the ordinary and usual course of business of the Group, are in the interests of the Company and the Shareholders as a whole.

We, therefore, recommend the Independent Shareholders to vote in favour of the relevant resolution(s) to be proposed at the EGM to approve the Specific Mandate Subscription and the Whitewash Waiver.

Yours faithfully,
For and on behalf of
the Listing Rules Independent Board Committee of
China Youran Dairy Group Limited

Ms. Xie Xiaoyan
Independent Non-executive Director

Mr. Yao Feng
Independent Non-executive Director

Ms. Huang Lin
Independent Non-executive Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter of advice from Rainbow Capital, the Independent Financial Adviser to the Independent Board Committees and the Independent Shareholders in respect of the Specific Mandate Subscription and the Whitewash Waiver, which has been prepared for the purpose of inclusion in this circular.

Rainbow Capital (HK) Limited

April 30, 2026

To the Independent Board Committees and the Independent Shareholders

China Youran Dairy Group Limited
No. 169, Hexi Road, Saihan District
Hohhot, Inner Mongolia
China

Dear Sir or Madam,

(1) CONNECTED TRANSACTION INVOLVING SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE; AND (2) APPLICATION FOR WHITEWASH WAIVER

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committees and the Independent Shareholders in respect of the Specific Mandate Subscription and the Whitewash Waiver, details of which are set out in the “Letter from the Board” (the “**Letter from the Board**”) contained in the circular dated April 30, 2026 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Unless the context otherwise requires, capitalized terms used in this letter shall have the same meanings as those defined in the Circular.

On January 16, 2026, the Company entered into the Specific Mandate Subscription Agreement with Boyuan, pursuant to which the Company has conditionally agreed to allot and issue, and Boyuan has conditionally agreed to subscribe for, the Specific Mandate Subscription Shares at the Specific Mandate Subscription Price of HK\$3.92 per Specific Mandate Subscription Share in accordance with the terms and conditions as set out in the Specific Mandate Subscription Agreement. Upon completion of the Specific Mandate Subscription, 299,250,000 new Shares will be allotted and issued by the Company and subscribed by Boyuan in accordance with the terms and conditions of the Specific Mandate Subscription Agreement.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Upon completion of the Specific Mandate Subscription, assuming that there is no other change in the issued share capital of the Company from the Latest Practicable Date to the completion of the Specific Mandate Subscription, the shareholding of Boyuan and the parties acting in concert with it in the Company will increase from approximately 31.51% to approximately 36.07% of the issued share capital of the Company as enlarged by the Specific Mandate Subscription Shares.

As such, under Rule 26.1 of the Takeovers Code, the allotment and issuance of the Specific Mandate Subscription Shares would otherwise give rise to an obligation on the part of Boyuan to make a mandatory general offer for all Shares and other securities of the Company (other than those already owned or agreed to be acquired by Boyuan and the parties acting in concert with it), unless the Whitewash Waiver is granted by the Executive.

Boyuan has made an application to the Executive for the Whitewash Waiver from compliance with the obligation to make a mandatory general offer for all Shares and other securities of the Company (other than those already owned or agreed to be acquired by Boyuan and the parties acting in concert with it) under Rule 26.1 of the Takeovers Code with respect to the acquisition of the Specific Mandate Subscription Shares. The Whitewash Waiver, if granted, will be subject to, among other things, the approval by at least 75% of the votes cast by the Independent Shareholders by way of poll in respect of the Whitewash Waiver and more than 50% of the votes cast by the Independent Shareholders by way of poll in respect of the Specific Mandate Subscription, respectively, at the EGM.

As at the Latest Practicable Date, Boyuan is a substantial shareholder of the Company, hence, a connected person of the Company. The Specific Mandate Subscription constitutes a connected transaction of the Company and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to the Listing Rules, the Listing Rules Independent Board Committee (comprising all the independent non-executive Directors who have no direct or indirect interest in the Specific Mandate Subscription, namely Ms. Xie Xiaoyan, Mr. Yao Feng and Ms. Huang Lin) has been formed to advise the Independent Shareholders as to whether the Specific Mandate Subscription is fair and reasonable and make recommendation as to voting. Pursuant to Rule 2.8 of the Takeovers Code, the Takeovers Code Independent Board Committee (comprising the non-executive Directors and independent non-executive Directors who have no direct or indirect interest in the Specific Mandate Subscription and the Whitewash Waiver, namely Mr. Xu, Zhan Kevin, Ms. Xie Xiaoyan, Mr. Yao Feng and Ms. Huang Lin) has also been formed to advise the Independent Shareholders as to whether the Specific Mandate Subscription and the Whitewash Waiver are fair and reasonable and make recommendation as to voting. We, Rainbow Capital (HK) Limited, have been appointed as the Independent Financial Adviser with the approval of the Independent Board Committees to advise the Independent Board Committees and the Independent Shareholders in this respect.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Boyuan is a wholly-owned subsidiary of Yili. As at the Latest Practicable Date, we did not have any relationships or interests with the Group and Yili and its parties acting in concert that could reasonably be regarded as relevant to our independence. We have acted as the independent financial adviser to the independent board committee and the independent shareholders of the Company in relation to (i) the revision of annual caps under the financial services framework agreement entered into between the Company and Yili Finance Company Limited, a wholly-owned subsidiary of Yili, details of which were set out in the circular of the Company dated September 8, 2025; and (ii) the renewal of continuing connected transactions in relation the raw milk purchase and sale framework agreement and the financial services framework agreement, details of which were set out in the circular of the Company dated April 27, 2026. Other than that, there was no engagement or connection between the Group or Yili and its parties acting in concert and us in the last two years. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no other arrangements exist whereby we had received any fees or benefits from the Group or Yili and its parties acting in concert. Accordingly, we are considered eligible to give an independent advice to the Independent Board Committees and the Independent Shareholders in respect of the Specific Mandate Subscription and the Whitewash Waiver.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Group and its advisers; (iii) the opinions expressed by and the representations of the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the management of the Group and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the management of the Group. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the date of the Circular.

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the businesses, affairs, operations, financial position or future prospects of the Group, Yili and its parties acting in concert or any of their respective substantial shareholders, subsidiaries or associates.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Specific Mandate Subscription and the Whitewash Waiver, we have taken into consideration the following principal factors and reasons:

1. Information on the Group

The Group is primarily engaged in the production and sale of raw milk, and the production, sale and trading of feeds, ruminant farming products and breeding products in the PRC.

(i) Financial performance

Set out in the table below is a summary of the audited consolidated financial information of the Group for the years ended December 31, 2023, 2024 and 2025 (“FY2023”, “FY2024” and “FY2025”, respectively) as extracted from the Company’s annual reports for FY2024 and FY2025:

	FY2025	FY2024	FY2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Revenue	20,653,706	20,096,160	18,693,896
– Raw milk	16,023,947	15,100,802	12,902,987
– Comprehensive ruminant farming solutions	4,629,759	4,995,358	5,790,909
Cost of sales	(19,520,335)	(18,782,079)	(17,499,357)
Gains arising on initial recognition of agricultural produce at fair value less costs to sell at the point of harvest	5,020,326	4,468,909	3,275,246
Gross profit	6,153,697	5,782,990	4,469,785
Losses arising from changes in fair value less costs to sell of biological assets	(4,311,969)	(3,921,360)	(3,613,271)
Other income	429,167	549,370	453,821
Impairment losses under expected credit loss model, net of reversal	(45,630)	(24,473)	(6,629)
Impairment loss recognised in respect of goodwill	–	–	(120,966)
Impairment loss recognised in respect of property, plant and equipment and right-of-use assets	(48,141)	(512,850)	(7,879)
Other gains and losses	1,860	(102,152)	143,430
Selling and distribution expenses	(638,155)	(632,290)	(619,566)
Administrative expenses	(854,553)	(806,677)	(778,154)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

	FY2025	FY2024	FY2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Other expenses	(166,374)	(122,881)	(70,383)
Share of losses of associates	(78,407)	(79,666)	(126,559)
Share of loss of a joint venture	(1,416)	(989)	(541)
Finance costs	(817,814)	(903,487)	(1,082,592)
Loss before tax	(377,735)	(774,465)	(1,359,504)
Income tax expense	(57,567)	(87,022)	(93,388)
Loss for the year	(435,302)	(861,487)	(1,452,892)
Loss for the year attributable to the Shareholders	(432,386)	(690,890)	(1,049,980)

FY2024 as compared to FY2023

The Group's revenue increased by 7.5% from RMB18,694 million for FY2023 to RMB20,096 million for FY2024, which was primarily due to the growth of raw milk business. The Group's revenue generated from raw milk increased by 17.0% from RMB12,903 million for FY2023 to RMB15,101 million for FY2024, which was mainly due to the increase of 24.6% in the sales volume of raw milk from 2,945,840 tons for FY2023 to 3,669,563 tons for FY2024 as a result of continuous improvement in the milk yield per milkable cow, new dairy farms being put into operation and the continuous optimisation of the herd structure. The Group's annualized average milk yield per milkable cow (excluding Jerseys) was 12.6 tons for FY2024, representing an increase of 5.0% from 12.0 tons for FY2023. During FY2024, the Group put 6 new dairy farms into operation, including 1 organic dairy farm and 1 dairy goat farm, which further enriched the specialty raw milk offerings of the Group.

The Group's gross profit increased by 29.4% from RMB4,470 million for FY2023 to RMB5,783 million for FY2024, while its gross profit margin rose from 23.9% for FY2023 to 28.8% for FY2024. The increase in gross profit margin was mainly attributable to (a) a decrease in the purchase prices of bulk raw materials in the domestic market; (b) continued improvements in feed conversion rates and milk yield per milkable cow; and (c) strict cost control.

The Group recorded impairment loss recognised in respect of property, plant and equipment and right-of-use assets of RMB513 million for FY2024, as compared to that of RMB8 million for FY2023. This was mainly due to the impact of the industry environment, which has led to indications of impairment on certain long-term assets of the Group's dairy farms located in low raw milk price regions in Northwest China.

The Group's loss for the year decreased by 40.7% from RMB1,453 million for FY2023 to RMB861 million for FY2024, which was mainly due to the increase in gross profit and partially offset by the increase in impairment loss recognised in respect of property, plant and equipment and right-of-use assets.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

FY2025 as compared to FY2024

The Group's revenue increased by 2.8% from RMB20,096 million for FY2024 to RMB20,654 million for FY2025, which was mainly due to the increase in revenue generated from raw milk and partially offset by the decrease in revenue generated from comprehensive ruminant farming solutions. The Group's revenue generated from raw milk increased by 6.1% from RMB15,101 million for FY2024 to RMB16,024 million for FY2025, which was mainly due to the increase of 13.2% in the sales volume of raw milk from 3,669,563 tons for FY2024 to 4,153,082 tons for FY2025. The Group's revenue generated from comprehensive ruminant farming solutions decreased by 7.3% from RMB4,995 million for FY2024 to RMB4,630 million for FY2025, which was primarily attributable to (a) a decline in sales volume driven by weaker industry demand; and (b) dynamic adjustments to product pricing in response to lower market prices of bulk raw materials.

The Group recorded a gross profit of RMB5,783 million for FY2024, representing a gross profit margin of 28.8%, and a gross profit of RMB6,154 million for FY2025, representing a gross profit margin of 29.8%. The increase in gross profit margin was primarily attributable to the decline in domestic bulk raw material purchase prices, together with the Group's continued efforts in promoting lean operation management and enhancing efficiency through effective cross-business collaboration, which collectively contributed to the improvement in the Group's gross profit margin.

The Group's losses arising from changes in the fair value less costs to sell of biological assets amounted to RMB3,921 million for FY2024 and RMB4,312 million for FY2025. Such losses primarily arose from the decline in the selling price of raw milk, the increase in the number of culled cows and the decrease in market prices of heifers.

Despite recording gross profit, the Group remained in a net loss position due to the significant losses arising from changes in the fair value less costs to sell of biological assets. The Group's loss for the year decreased by 49.5% from RMB861 million for FY2024 to RMB435 million for FY2025, which was mainly due to the increase in gross profit, the decrease in impairment losses of property, plant and equipment and right-of-use assets, and the decrease in finance costs.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(ii) *Financial position*

Set out below is a summary of the consolidated financial position of the Group as at December 31, 2023, 2024 and 2025:

	December 31, 2025 RMB'000 (audited)	December 31, 2024 RMB'000 (audited)	December 31, 2023 RMB'000 (audited)
Total current assets	8,708,765	8,356,193	11,406,409
Total non-current assets	33,662,048	35,300,474	34,793,319
Total current liabilities	20,321,338	21,109,887	20,914,580
– Bank and other borrowings	16,083,449	16,709,437	16,433,086
Total non-current liabilities	10,207,661	10,387,022	12,186,453
– Bank and other borrowings	7,328,389	7,546,965	9,826,502
Net assets	11,841,814	12,159,758	13,098,695
Net gearing ratio (<i>Note</i>)	176.7%	185.2%	165.2%

Note: Calculated as net debt (equivalent to bank and other borrowings, less bank balances and cash, and less pledged and restricted bank deposits, time deposits and deposits placed with a related party under current assets) divided by total equity and multiplied by 100%.

The Group's net assets decreased by 7.2% from RMB13,099 million as at December 31, 2023 to RMB12,160 million as at December 31, 2024, and further decreased by 2.6% to RMB11,842 million as at December 31, 2025, which was mainly due to that the Group recorded loss for the year of RMB861 million for FY2024 and RMB435 million for FY2025.

The Group's net gearing ratio increased from 165.2% as at December 31, 2023 to 185.2% as at December 31, 2024, and decreased to 176.7% as at December 31, 2025, which were mainly due to the decrease in the Group's net assets and the decrease in the Group's net debt respectively. The Group's total bank and other borrowings amounted to RMB26,260 million, RMB24,256 million and RMB23,412 million as at December 31, 2023, December 31, 2024 and December 31, 2025, respectively.

(iii) *Industry overview*

In 2025, despite a further contraction in cattle herd sizes in the PRC, raw milk output grew slightly due to improvements in milk yield per milkable cow. According to the National Bureau of Statistics, total raw milk output slightly increased by 0.3% for the year ended December 31, 2025. However, numerous external uncertainties, insufficient effective domestic demands and persistent supply demand imbalances in the industry have together exerted significant pressure on the dairy products industry. As a result, milk prices fell to multi-year lows. Data from the Ministry of Agriculture and Rural Affairs indicated that the average price of raw milk in China's major dairy-producing provinces decreased by 7.8% year-on-year to RMB3.06/kg for the year ended December 31, 2025 from RMB3.32/kg for the year ended December 31, 2024.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

On the policy front, the Ministry of Agriculture and Rural Affairs explicitly stated in June 2025 its intention to expand the coverage of “Student Milk” during a dairy industry symposium, extending the program from the compulsory education stage to preschool education to increase its penetration rate. Concurrently, the National Health Commission and the State Administration for Market Regulation jointly issued the Amendment No. 1 to the National Food Safety Standard for Sterilized Milk, which stipulates that only raw milk can be used in the production of sterilized milk, and the use of reconstituted milk is forbidden. The new standard took effect on September 16, 2025. The aforementioned policies aim to strengthen the quality of milk sources, expand the demand for raw milk, promote the development of domestic dairy cattle breeding industry, meet consumers’ demand for high-quality dairy products, and facilitate the high-quality development of the entire dairy industry chain. The policies are expected to have a positive impact on the industry’s long-term outlook. However, in the short term, the industry continues to face supply-demand imbalances, which have contributed to continued decline in the selling price of raw milk in 2025. As a result, while the policy direction is supportive, we consider that near-term market conditions remain challenging.

(iv) Overall comments

The Group’s raw milk sales volume increased by 24.6% for FY2024 and 13.2% for FY2025, and the Group’s gross profit margin increased by 4.9 percentage points for FY2024 and 1.0 percentage point for FY2025. Despite recording gross profit, the Group remained in a net loss position due to significant losses arising from changes in the fair value less costs to sell of biological assets. Loss arising from changes in fair value less costs to sell of biological assets represents the difference in fair value less costs to sell of the Group’s biological assets from period to period, due to the changes in biological assets’ physical attributes and market prices of the Group’s biological assets and the changes in discounted future cash flows to be generated by the Group’s biological assets. The fair value is measured by reference to local market selling prices or by projecting future cash flows to be generated from those biological assets and discounting them to a present day value. Because biological assets are revalued at every reporting period, their fair value changes are unaffected by the original acquisition cost. As at December 31, 2025, the Group’s biological assets comprised 19,932 dairy goats and 618,796 dairy cows (including 340,408 milkable cows and 278,388 calves and heifers). Attributable to the prolonged downturn in raw milk prices in recent years, the Company recorded losses arising from changes in fair value less costs to sell of biological assets of RMB3,613 million, RMB3,921 million and RMB4,312 million for FY2023, FY2024 and FY2025, respectively, representing approximately 80.8%, 67.8% and 70.1% of the gross profit for the corresponding periods. Although the Group still maintained strong operational momentum, given that raw milk prices have yet to show any significant signs of recovery, we consider the Company’s short-term outlook to remain uncertain.

2. Information on Boyuan

Boyuan is a company incorporated in the Cayman Islands, it is a wholly-owned subsidiary of Yili, and is held as to 91.64% and 8.36% by Yili and Jingang, respectively. Jingang is a company incorporated in Hong Kong and a wholly-owned subsidiary of Yili.

Yili is a company established under the laws of the PRC in June 1993 whose shares are listed on the Shanghai Stock Exchange (stock code: 600887), and is the Company's controlling shareholder and one of its major customers. Yili is principally engaged in the processing, manufacturing and sales of various dairy products and health drinks in the PRC.

3. Reasons for and benefits of the Specific Mandate Subscription

The Company intends to apply the total amount of net proceeds from the Specific Mandate Subscription as to (i) approximately 35% for advancing technology enablement and digital transformation in enhancing operational efficiency; (ii) approximately 55% for repaying interest-bearing debt; and (iii) approximately 10% for replenishing working capital and for general corporate purposes.

In terms of advancing technology enablement, the Company plans to invest in the procurement, construction and upgrading of intelligent and electronic equipment and facilities of dairy farms, as well as the upgrading of the production lines of feed factories to further enhance the level of automation. In addition, the Company will plan to implement upgrading projects such as replacing fuel-powered vehicles with electric vehicles. In terms of digital transformation, the Company plans to invest in, including but not limited to, developing precision dairy cow feeding project and digital-intelligence large-model system for precision nutrition, establishing big data analysis and decision-making platform, and developing an intelligent management system of forage cultivation. The Group expects to fully utilize this portion of the net proceeds and complete its technological enablement and digital transformation by December 31, 2028. As disclosed in the Group's annual reports for FY2024 and FY2025, the Group has actively responded to industry challenges and achieved breakthroughs through technological empowerment. The Group has continued to promote lean operations and digital management practices to further enhance operational efficiency. Given the challenging industry conditions, we consider it necessary for the Group to continue strengthening its technological capabilities and digital initiatives.

In determining which interest-bearing debt to repay, the Group will take into account the respective maturity profiles and interest rates, and will prioritize the settlement of higher-cost debt maturing within the next twelve months. The Group's net gearing ratio was 176.7% as at December 31, 2025 and it decreased to 152.0% after completion of the Top-up Subscription on January 26, 2026. The Top-up Subscription and the Specific Mandate Subscription are not inter-conditional. The Specific Mandate Subscription will further optimise the Company's capital structure, reduce its net gearing ratio, and increase its net assets. Taking into account the net proceeds of approximately HK\$1,171.59 million from the Specific Mandate Subscription, the Company's net gearing ratio would further decrease to 131.2%. A lower net gearing ratio will allow the Company

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

greater flexibility in selecting fundraising methods for potential acquisitions, including the possibility of debt financing or funding with internal resources. The Company intends to seize favourable opportunities to acquire high quality dairy farming assets at reasonable prices, accelerate its strategic deployment, meet future market demand and ensure the stability of raw milk supply. As at the Latest Practicable Date, the Company had not identified any potential acquisition targets or investment opportunities.

As stated in the Letter from the Board, the Specific Mandate Subscription demonstrates the confidence of Yili and its parties acting in concert in the industry outlook and the Company's long term business development. It also further enlarges the Shareholders' equity base of the Company and supports the development of the Company. We consider that, following the significant increase in the Company's Share price during the Review Period (as defined below), the controlling shareholder's proposed increase in shareholding would enhance market confidence in the Company.

The Company has considered other alternative fundraising methods such as debt financing. However, debt financing may incur financial costs on the Group and may be subject to lengthy due diligence and negotiations with lenders, which is not in line with the Company's funding needs. We have reviewed the Company's annual report for FY2025. The Group had cash and deposits of approximately RMB2,491 million and bank and other borrowings of approximately RMB23,412 million as at December 31, 2025. Of these borrowings, RMB16,083 million is due within one year. As at December 31, 2025, the Group's net gearing ratio was 176.7%. Accordingly, we consider that debt financing would increase the Company's financial burden and is not the most appropriate financing method for the Company.

In respect of other equity financing methods, rights issue is the most commonly adopted equity financing method in the market. As for open offer, similar to a rights issue, it also offers qualifying shareholders to participate, but it does not allow the trading of rights entitlements in the open market. Additional cost would be required for rights issue and open offer, including underwriting commission, as compared to the Specific Mandate Subscription. In view of the current industry conditions, there is uncertainty in the amount of funds which could be raised under a rights issue or an open offer and additional time would be required. Therefore, we consider that rights issue and open offer are not the most appropriate financing methods for the Company.

We have reviewed the Stock Exchange's website and noted that since the Company's listing, apart from the issuance of consideration shares in July 2024 to acquire 8.50% of the total equity interest in SKX and the Top-up Subscription completed on January 26, 2026, the Company did not conduct any equity financing. While the Group's operating performance is improving, the Group requires fund to continuously leverage technological advancements to enhance milk yield per milkable cow and cost control. This is essential for maintaining the Group's competitive edge amid the current market conditions of oversupply and downward price pressure. Furthermore, the Group's net gearing ratio remained high, and there is further room and need to optimize finance costs. Although no specific acquisition targets have been identified, maintaining a robust capital buffer is critical for strategic agility. Relying on reactive fundraising only after a target is found risks missing time-sensitive acquisition opportunities. Following the Placing and

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

the Top-up Subscription, Yili's shareholding in the Company was diluted to 31.51%. The Specific Mandate Subscription will (i) maintain the stability of the controlling shareholder's stake; (ii) eliminate placing fees and minimize the time required to identify and negotiate with new subscribers; and (iii) further improve the Company's liquidity levels, optimize its capital structure, and enhance its risk-resistance capabilities.

Having taken into consideration the above factors, we consider that although the Specific Mandate Subscription is not conducted in the ordinary and usual course of business of the Company, the Specific Mandate Subscription is in the interests of the Company and the Shareholders as a whole.

4. Principal terms of the Share Subscription Agreement

Set out below is a summary of the principal terms of the Specific Mandate Subscription Agreement, details of which are set out in the Letter from the Board.

Parties	:	(i) the Company; and (ii) Boyuan.
Specific Mandate Subscription Shares	:	Upon completion of the Specific Mandate Subscription, 299,250,000 new Shares will be allotted and issued by the Company and subscribed by Boyuan in accordance with the terms and conditions of the Specific Mandate Subscription Agreement.
Specific Mandate Subscription Price	:	HK\$3.92 per Specific Mandate Subscription Share.
Lock-up undertaking	:	Boyuan undertook that, during a period of one year from the date of completion of the Specific Mandate Subscription, Boyuan will not, and Boyuan will procure its affiliates not to, without the prior written consent of the Company: (i) offer, lend, pledge, charge, sell, mortgage, assign, dispose of, or otherwise grant or create any options, rights, interests or encumbrances, either directly or indirectly, conditionally or unconditionally, any of the Shares (including the Specific Mandate Subscription Shares); or (ii) agree or contract to enter into any transaction described in paragraph (i) above, provided that it shall not restrict any transfer of Shares by Boyuan to any of its affiliates.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

5. Specific Mandate Subscription Price

(i) *Price comparison*

The Specific Mandate Subscription Price of HK\$3.92 per Specific Mandate Subscription Share represents:

- (a) a premium of approximately 4.81% to the closing price of HK\$3.74 per Share as quoted on the Stock Exchange as at the Latest Practicable Date;
- (b) a discount of approximately 8.84% to the closing price of HK\$4.30 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (c) a discount of approximately 17.89% to the average closing price of approximately HK\$4.77 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to and including the Last Trading Date;
- (d) a discount of approximately 15.21% to the average closing price of approximately HK\$4.62 per Share as quoted on the Stock Exchange for the last thirty consecutive trading days immediately prior to and including the Last Trading Date;
- (e) a discount of approximately 3.37% to the average closing price of approximately HK\$4.06 per Share as quoted on the Stock Exchange for the last sixty consecutive trading days immediately prior to and including the Last Trading Date;
- (f) a premium of approximately 25.10% to the audited consolidated equity per Share attributable to the Shareholders as at December 31, 2024 of approximately HK\$3.1334 per Share calculated based on the audited consolidated equity of the Group attributable to the Shareholders of approximately RMB11,295,246,000 as at 31 December 2024 and 3,892,727,833 Shares then in issue (based on the exchange rate of HK\$1:RMB0.92604 as at December 31, 2024 published by the State Administration of Foreign Exchange for illustration purposes); and
- (g) a premium of approximately 25.52% to the audited consolidated equity per Share attributable to the Shareholders as at December 31, 2025 of approximately HK\$3.1229 per Share calculated based on the audited consolidated equity of the Group attributable to the Shareholders of approximately RMB10,980,148,000 as at December 31, 2025 and 3,892,727,833 Shares then in issue (based on the exchange rate of HK\$1:RMB0.90322 as at December 31, 2025 published by the State Administration of Foreign Exchange for illustration purposes).

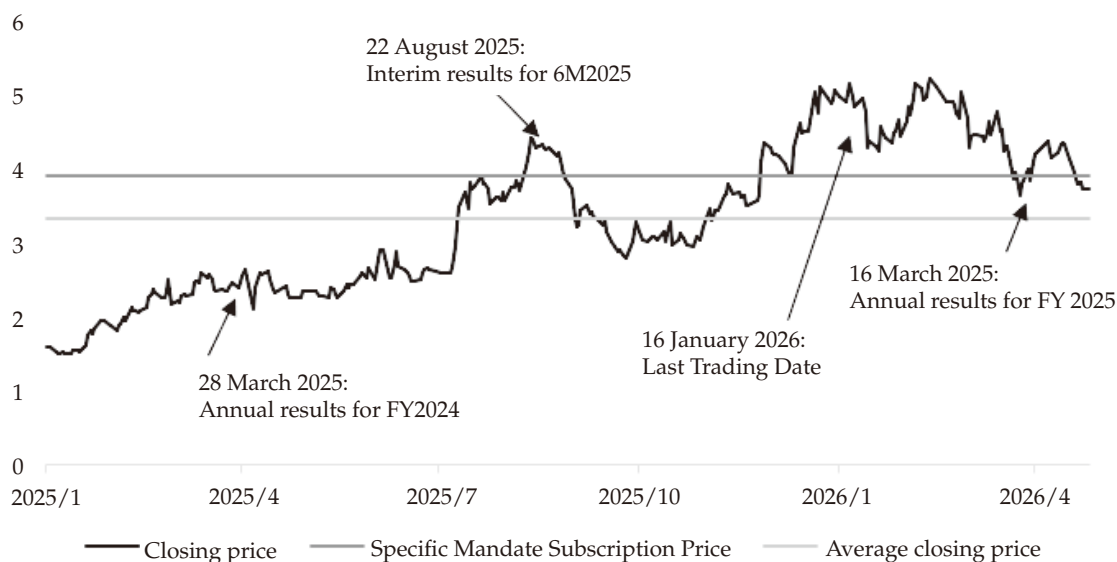
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Specific Mandate Subscription Price was arrived at after arm's length negotiations between the Company and Boyuan with reference to, among other things, the prevailing market price of the Shares and the market conditions, and the funding needs and financial position of the Group. The Specific Mandate Subscription Price was the same as the Placing and Top-up Subscription price.

(ii) Historical Share price performance

Set out below is the chart showing the movement of the daily closing price of the Shares during the period from January 1, 2025 to the Latest Practicable Date (the "Review Period"). We consider such Review Period to be fair, reasonable and representative as we consider it a sufficient period to illustrate the general trend and level of movement of the daily closing price of the Shares for the purpose of this analysis, which reflects the prevailing market sentiment for conducting a comparison between the closing price of the Shares and the Specific Mandate Subscription Price. In addition, a longer 1-year period for the Share price analysis serves to filter out short-term market volatility. The Review Period ensures that the comparison between the closing price and the Specific Mandate Subscription Price is grounded in a reasonable historical trend, rather than being influenced by short-term market volatility.

Historical daily closing price per Share



LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

During the Review Period, the closing price of the Shares ranged from HK\$1.50 per Share recorded on January 8, 2025 to HK\$5.23 per Share recorded on February 13, 2026, with an average closing price of HK\$3.34 per Share. The Specific Mandate Subscription Price represents a premium of approximately 17.27% to the average closing price of the Shares during the Review Period.

The Share price demonstrated a strong upward trajectory during the Review Period. Based on our review of the information published by the Company, we consider that the increase in the Share price was mainly driven by market recognition of the Group's cost-control initiatives and the stability in its raw milk output despite pricing pressures. As discussed in the section headed "1. Information on the Group" above, the Group still maintained strong operational momentum. The Group's raw milk sales volume increased by 24.6% for FY2024 and 13.2% for FY2025, and the Group's gross profit margin increased by 4.9 percentage points for FY2024 and 1.0 percentage point for FY2025. The Share price was also influenced by the market sentiment as reflected by the Hang Seng Index, which increased by 27.8% in 2025. Following the publication of the interim results for the six months ended June 30, 2025 on 22 August 2025, the Share price declined from HK\$4.18 per Share on August 25, 2025 to HK\$2.80 per Share on September 26, 2025, and subsequently rebounded to a peak of HK\$5.16 per Share on January 7, 2026. We have made enquiries with the management of the Company and, save for the disposals of Shares by PAGAC Yogurt Holding II Limited and Meadowland Investment Limited Partnership in September 2025, which may have affected investor confidence, we are not aware of any other information that contributed to the decline in the Share price during the period from August 25, 2025 to September 26, 2025.

The Specific Mandate Subscription Price of HK\$3.92 per Specific Mandate Subscription Share represents a discount of approximately 8.84% to the closing price of HK\$4.30 per Share on the Last Trading Date and a premium of approximately 4.81% to the closing price of HK\$3.74 per Share as at the Latest Practicable Date.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(iii) *Historical trading liquidity of the Shares*

The following table sets out the average daily trading volume of the Shares for each month or period and the percentages of such average daily trading volume to the total number of the Shares in issue and held by the public during the Review Period:

		Approximate average daily trading volume of the Shares	Approximate percentage of average daily trading volume to the total number of the Shares in issue (Note 1)	Approximate percentage of average daily trading volume to the total number of the Shares held by the public (Note 2)
2025				
January	19	8,734,619	0.2244%	0.3396%
February	20	19,141,273	0.4917%	0.7442%
March	21	14,554,943	0.3739%	0.5659%
April	19	21,727,161	0.5581%	0.8448%
May	20	11,034,336	0.2835%	0.4290%
June	21	22,138,846	0.5687%	0.8608%
July	22	30,467,731	0.7827%	1.1846%
August	21	22,162,197	0.5693%	0.8617%
September	22	43,117,197	1.1076%	1.6765%
October	20	17,969,889	0.4616%	0.6987%
November	20	23,877,978	0.6134%	0.9284%
December	21	23,514,259	0.6041%	0.9143%
2026				
January	21	45,548,938	1.0866%	1.5864%
February	17	16,761,872	0.3999%	0.5838%
March	22	26,481,884	0.6317%	0.9223%
From April 1, 2026 to the Latest Practicable Date	16	18,715,189	0.4465%	0.6518%

Notes:

1. Based on the total number of the Shares in issue at the end of each month or period as disclosed in the monthly return of the Company.
2. Based on the number of the Shares held by the public Shareholders as calculated by deducting the number of Shares held by the Yili and its parties acting in concert as at the Latest Practicable Date.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As illustrated in the above table, the trading of the Shares was generally inactive during the Review Period. The maximum average daily trading volume of the Shares in 2025 was approximately 43,117,197 Shares in September 2025, representing approximately 1.1076% of the total issued Shares and approximately 1.6765% of the issued Shares held by the public. The higher trading volume in September 2025 relative to other months in 2025 was mainly due to that (a) PAGAC Yogurt Holding II Limited, a substantial Shareholder sold 92,500,000 Shares on September 2, 2025, representing 2.38% of the issued Shares; and (b) Meadowland Investment Limited Partnership, a substantial Shareholder sold 92,500,000 Shares on September 2, 2025, representing 2.38% of the issued Shares. Such disposals not only directly increased trading volume but also may have affected other investors' confidence in the Shares, further contributing to the overall rise in trading activity.

The maximum average daily trading volume of the Shares in January 2026 was approximately 45,548,938 Shares, representing approximately 1.0866% of the total issued Shares and approximately 1.5864% of the issued Shares held by the public, which we consider was mainly driven by the announcement of the Specific Mandate Subscription.

The generally thin liquidity of the Shares during the Review Period which indicates the potential difficulties in initiating Boyuan to participate in the Specific Mandate Subscription should the Specific Mandate Subscription Price have been set at a premium to the Share price on the Last Trading Date.

(iv) Comparison transactions

To assess the fairness and reasonableness of the Specific Mandate Subscription Price, we have conducted a review of recent market practices involving the issuance of new shares under a specific mandate. We identified an exhaustive list of 7 comparable transactions (the "**Comparable Transactions**") based on the following criteria (the "**Criteria**"): (a) transactions announced by companies listed on the Main Board of the Stock Exchange during the period from July 17, 2025 up to and including the Last Trading Date, being approximately six months prior to the Last Trading Date that allows us to identify sufficient samples of comparable transactions for analysis; (b) transactions involving a connected subscription of new shares under the specific mandate; and (c) transactions that did not involve acquisitions, issuance of convertible bond or A shares, rights issues, open offers, loan capitalisation, or restructuring. Such transactions were excluded as the pricing of such transactions may be influenced by factors and conditions that are not comparable to the Specific Mandate Subscription. The review period for the Comparable Transactions is more condensed than the Review Period for the Share price movement, primarily to strike an optimal balance between maintaining a robust sample size and ensuring the Comparable Transactions reflect the latest market pricing benchmarks.

Shareholders should note that although the businesses, operations, market capitalisation and prospects of the Company are not the same as the subject companies of the Comparable Transactions, the Comparable Transactions can demonstrate the recent market practices of subscription transactions conducted by companies listed on the Main Board of the Stock Exchange. We are of the view that

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

the discounts of subscription prices to market prices are not solely determined by these companies' financial performance or funding needs, nor is it merely a result of commercial negotiations with the subscribers. Such discounts are also significantly influenced by prevailing market sentiment. As the market price serves as the most direct reference for independent shareholders, the Comparable Transactions provide a meaningful reference range for the discounts of subscription prices to market prices, as typically accepted by independent shareholders under similar market conditions. Furthermore, as discussed below, there is a lack of recent, comparable transactions among industry peers, and the comparable company analysis is not appropriate. Therefore, we consider that the Comparable Transactions offer a more reliable benchmark for assessing the Specific Mandate Subscription Price and are fair and representative for our analysis.

Company name (stock code)	Date of announcement	Premium/ (discount) of the subscription price over/to the closing price per share for the last five consecutive trading days immediately prior to and including the last trading date (the "5 Days "LTD Premium/ Discount") (%)	Premium/ (discount) of the subscription price over/to the average closing price per share for the last 30 consecutive trading days immediately prior to and including the last trading date (the "30 Days Premium/ Discount") (%)	Premium/ (discount) of the subscription price over/to the average closing price per share for the last 60 consecutive trading days immediately prior to and including the last trading date (the "60 Days Premium/ Discount") (%)	Premium/ (discount) of the subscription price over/to the average closing price per share for the last 60 consecutive trading days immediately prior to and including the last trading date (the "60 Days Premium/ Discount") (%)
Energy International Investments Holdings Limited (353)	December 24, 2025	(18.33)	(19.41)	(22.79)	(23.54)
BeijingWest Industries International Limited (2339)	November 17, 2025	(34.21)	(20.00)	(18.17)	(2.35)
China Wacan Group Company Limited (1920)	November 10, 2025	4.34	2.19	-	(7.05)
WuXi XDC Cayman Inc. (2268)	September 3, 2025	(4.00)	(2.87)	1.09	15.07
DL Holdings Group Limited (1709)	August 7, 2025	(11.94)	(12.98)	(16.78)	(11.51)
Tesson Holdings Limited (1201)	July 25, 2025	(16.67)	(19.09)	(11.66)	(6.25)
OSL Group Limited (863)	July 25, 2025	(15.34)	(16.18)	(3.47)	9.15
	Max	4.34	2.19	1.09	15.07
	Min	(34.21)	(20.00)	(22.79)	(23.54)
	Median	(15.34)	(16.18)	(14.22)	(6.25)
	Average	(13.74)	(12.62)	(11.96)	(3.78)
The Company (9858)	January 16, 2026	(8.84)	(17.89)	(15.21)	(3.37)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As shown in the table above:

- (a) the LTD Premium/Discount of the Comparable Transactions ranged from a discount of approximately 34.21% to a premium of approximately 4.34%, with average discount of approximately 13.74% and median discount of approximately 15.34%;
- (b) the 5 Days Premium/Discount of the Comparable Transactions ranged from a discount of approximately 20.00% to a premium of approximately 2.19%, with average discount of approximately 12.62% and median discount of approximately 16.18%;
- (c) the 30 Days Premium/Discount of the Comparable Transactions ranged from a discount of approximately 22.79% to a premium of approximately 1.09%, with average discount of approximately 11.96% and median discount of approximately 14.22%; and
- (d) the 60 Days Premium/Discount of the Comparable Transactions ranged from a discount of approximately 23.54% to a premium of approximately 15.07%, with average discount of approximately 3.78% and median discount of approximately 6.25%.

Each of the LTD Discount, the 5 Days Discount, the 30 Days Discount and the 60 Days Discount represented by the Specific Mandate Subscription Price falls within the range of the Comparable Transactions. The LTD Discount and the 60 Days Discount are both lower than the median and average discounts of the Comparable Transactions, while the 5 Days Discount and the 30 Days Discount are close to the median discounts of the Comparable Transactions.

We have also conducted an exhaustive search based on the Criteria for comparable transactions conducted by companies listed on the Stock Exchange and engaged in the PRC raw milk industry. However, no comparable transactions were identified. Consequently, we expanded our search criteria to encompass all equity fundraising activities announced by companies listed on the Stock Exchange and engaged in the PRC raw milk industry during 2025. We only noted that AustAsia Group Ltd. (2425.HK) completed a rights issue on August 4, 2025. The LTD Discount, 5 Days Discount, 30 Days Discount and 60 Days Discount of such rights issue amounted to 29.11%, 29.11%, 21.42% and 12.60%, respectively, each of which is higher than the discount represented by the Specific Mandate Subscription Price. Given the nature of a rights issue differs from the Specific Mandate Subscription, such price discounts serve as a supplementary reference for the Independent Shareholders only and the Independent Shareholders should place greater emphasis on our other analysis.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(v) *Comparable companies*

For the purpose of evaluating the Specific Mandate Subscription Price, we conducted a Bloomberg search for companies comparable to the Company that (a) are listed on the Main Board of the Stock Exchange; (b) derive more than 50% of their revenue from the sale of raw milk in the PRC; and (c) have a market capitalisation within the range of HK\$11.7 billion to HK\$21.7 billion (being approximately plus or minus 30% of the Company's market capitalisation of HK\$16.7 billion on the Last Trading Date, which we consider to be a reasonable range for comparison). Based on these criteria, we identified only one comparable company, namely China Modern Dairy Holdings Ltd. Given the insufficient sample size, we consider a comparison with peer companies to be immaterial for analytical purposes.

(vi) *Overall comments*

Having considered that:

- (a) the Specific Mandate Subscription Price represents a premium of approximately 17.27% to the average closing price of the Shares during the Review Period; and
- (b) the LTD Discount and the 60 Days Discount are both lower than the median and average discounts of the Comparable Transactions, while the 5 Days Discount and the 30 Days Discount are close to the median discounts of the Comparable Transactions,

we are of the view that the Specific Mandate Subscription Price is fair and reasonable.

6. Dilution effect on the shareholding interests of the existing public Shareholders

As illustrated by the table under the section headed "Effects on shareholding structure of the Company" of the Letter from the Board, immediately following the completion of the Specific Mandate Subscription, the shareholding interests of the existing public Shareholders in the Company would be diluted from 61.35% to 57.27%. Nonetheless, in view of (i) the reasons for and the benefits of the Specific Mandate Subscription, which is an appropriate fund-raising method currently available to the Company; and (ii) the Specific Mandate Subscription (including the Specific Mandate Subscription Price) being on normal commercial terms and fair and reasonable, we are of the view that the aforementioned level of dilution to the shareholding interests of the existing public Shareholders is acceptable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

7. Whitewash Waiver

Upon completion of the Specific Mandate Subscription, assuming that there is no other change in the issued share capital of the Company from the date of the Latest Practicable Date to the completion of the Specific Mandate Subscription, the shareholding of Boyuan and the parties acting in concert with it in the Company will increase from approximately 31.51% to approximately 36.07% of the issued share capital of the Company as enlarged by the Specific Mandate Subscription Shares.

As such, under Rule 26.1 of the Takeovers Code, the allotment and issuance of the Specific Mandate Subscription Shares would otherwise give rise to an obligation on the part of Boyuan to make a mandatory general offer for all Shares and other securities of the Company (other than those already owned or agreed to be acquired by Boyuan and the parties acting in concert with it), unless the Whitewash Waiver is granted by the Executive.

Boyuan has made an application to the Executive for the Whitewash Waiver from compliance with the obligation to make a mandatory general offer for all Shares and other securities of the Company (other than those already owned or agreed to be acquired by Boyuan and the parties acting in concert with it) under Rule 26.1 of the Takeovers Code with respect to the acquisition of the Specific Mandate Subscription Shares. The Whitewash Waiver, if granted, will be subject to, among other things, the approval by at least 75% of the votes cast by the Independent Shareholders by way of poll in respect of the Whitewash Waiver and more than 50% of the votes cast by the Independent Shareholders by way of poll in respect of the Specific Mandate Subscription, respectively, at the EGM.

Completion of the Specific Mandate Subscription is conditional upon the granting of the Whitewash Waiver. Having taken into consideration (i) the reasons for and benefits of the Specific Mandate Subscription as discussed in the section headed “3. Reasons for and benefits of the Specific Mandate Subscription”; (ii) that the Specific Mandate Subscription Price is fair and reasonable so far as the Independent Shareholders are concerned; and (iii) the Specific Mandate Subscription would not proceed if the Whitewash Waiver is not granted or approved or is invalidated, we are of the view that the approval of the Whitewash Waiver is in the interests of the Company and the Shareholders as a whole and is fair and reasonable.

OPINION AND RECOMMENDATION

In arriving at our opinion and recommendation, we have considered the principal factors and reasons as discussed above and in particular the following:

- Continuing the downward trend of recent years, the average price of raw milk in China’s major dairy-producing provinces decreased by 7.8% year-on-year to RMB3.06/kg for the year ended December 31, 2025 from RMB3.32/kg for the year ended December 31, 2024. Although the Group still maintained strong operational momentum, given that raw milk prices have yet to show any significant signs of recovery, we consider the Company’s short-term outlook to remain uncertain;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- The Specific Mandate Subscription demonstrates the confidence of Yili and its parties acting in concert in the industry outlook and the Company's long term business development;
- Debt financing will increase the Company's financial burden and may be subject to lengthy due diligence and negotiations with lenders, while there is uncertainty in the amount of funds which could be raised under a rights issue or an open offer and additional time would be required;
- The Group's net gearing ratio was 176.7% as at December 31, 2025 and it decreased to 152.0% after completion of the Top-up Subscription on January 26, 2026. Taking into account the net proceeds of approximately HK\$1,171.59 million from the Specific Mandate Subscription, the Company's net gearing ratio would further decrease to 131.2%. The Company has completed the Placing and the Top-up Subscription. The Specific Mandate Subscription was negotiated contemporaneously and priced at the same price of HK\$3.92 per Share to maintain consistency across the Company's capital raising exercises and to avoid differential treatment;
- While the Group's operating performance is improving, the Group requires fund to continuously leverage technological advancements to enhance milk yield per milkable cow and cost control. This is essential for maintaining the Group's competitive edge amid the current market conditions of oversupply and downward price pressure. Furthermore, the Group's net gearing ratio remained high, and there is further room and need to optimize finance costs. Although no specific acquisition targets have been identified, maintaining a robust capital buffer is critical for strategic agility. Relying on reactive fundraising only after a target is found risks missing time-sensitive acquisition opportunities. Following the Placing and the Top-up Subscription, Yili's shareholding in the Company was diluted to 31.51%. The Specific Mandate Subscription will (i) maintain the stability of the controlling shareholder's stake; (ii) eliminate placing fees and minimize the time required to identify and negotiate with new subscribers; and (iii) further improve the Company's liquidity levels, optimise its capital structure, and enhance its risk-resistance capabilities;
- The Specific Mandate Subscription Price is fair and reasonable after considering the following:
 - the Specific Mandate Subscription Price represents a premium of approximately 17.27% to the average closing price of the Shares during the Review Period; and

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- the LTD Discount and the 60 Days Discount are both lower than the median and average discounts of the Comparable Transactions, while the 5 Days Discount and the 30 Days Discount are close to the median discounts of the Comparable Transactions. The Comparable Transactions provide a meaningful reference range for the discounts of subscription prices to market prices, as typically accepted by independent shareholders under similar market conditions.

Based on the above, we consider that the Specific Mandate Subscription is on normal commercial terms, and the Specific Mandate Subscription and the Whitewash Waiver are fair and reasonable so far as the Independent Shareholders are concerned. We also consider that the Specific Mandate Subscription and the Whitewash Waiver, while not in the ordinary and usual course of business of the Group, are nevertheless in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we advise the Independent Board Committees to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Specific Mandate Subscription and the Whitewash Waiver.

Yours faithfully,
For and on behalf of
Rainbow Capital (HK) Limited
Larry Choi
Managing Director

Mr. Larry Choi is a licensed person and a responsible officer of Rainbow Capital (HK) Limited registered with the Securities and Futures Commission to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activity under the SFO. He has over ten years of experience in the corporate finance industry.

(A) SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The following summary of financial information for each of the years ended December 31, 2023, 2024 and 2025 as extracted from the consolidated financial statements of the Company as set forth in the 2023, 2024 and 2025 annual reports of the Company.

	For the year ended December 31,		
	2023 <i>(audited)</i> RMB'000	2024 <i>(audited)</i> RMB'000	2025 <i>(audited)</i> RMB'000
Revenue	18,693,896	20,096,160	20,653,706
Cost of sales	(17,499,357)	(18,782,079)	(19,520,335)
Gains arising on initial recognition of agricultural produce at fair value less costs to sell at the point of harvest	3,275,246	4,468,909	5,020,326
Gross profit	4,469,785	5,782,990	6,153,697
Losses arising from changes in fair value less costs to sell of biological assets	(3,613,271)	(3,921,360)	(4,311,969)
Other income	453,821	549,370	429,167
Impairment losses under expected credit loss model, net of reversal	(6,629)	(24,473)	(45,630)
Impairment loss recognised in respect of goodwill	(120,966)	-	-
Impairment loss recognised in respect of property, plant and equipment and right-of-use assets	(7,879)	(512,850)	(48,141)
Other gains and losses	143,430	(102,152)	1,860
Selling and distribution expenses	(619,566)	(632,290)	(638,155)
Administrative expenses	(778,154)	(806,677)	(854,553)
Other expenses	(70,383)	(122,881)	(166,374)
Share of loss of a joint venture	(541)	(989)	(1,416)
Share of losses of associates	(126,559)	(79,666)	(78,407)
Finance costs	(1,082,592)	(903,487)	(817,814)
Loss before tax	(1,359,504)	(774,465)	(377,735)
Income tax expense	(93,388)	(87,022)	(57,567)
Loss for the year	<u>(1,452,892)</u>	<u>(861,487)</u>	<u>(435,302)</u>

	For the year ended December 31,		
	2023 (audited) RMB'000	2024 (audited) RMB'000	2025 (audited) RMB'000
Other comprehensive income/(expense), net of income tax			
Items that will not be reclassified to profit or loss:			
Fair value gain/(loss) on investments in equity instruments at fair value through other comprehensive income, net of related income tax	6,236	(5,528)	3,926
Exchange differences arising on translation from functional currency to presentation currency	298,805	207,803	(302,446)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations	(363,985)	(277,322)	415,896
Other comprehensive income/(expense) for the year, net of income tax	(58,944)	(75,047)	117,376
Total comprehensive expense for the year	<u>(1,511,836)</u>	<u>(936,534)</u>	<u>(317,926)</u>
Loss for the year attributable to:			
Owners of the Company	(1,049,980)	(690,890)	(432,386)
Non-controlling interests	(402,912)	(170,597)	(2,916)
	<u>(1,452,892)</u>	<u>(861,487)</u>	<u>(435,302)</u>
Total comprehensive expense for the year attributable to:			
Owners of the Company	(1,111,555)	(764,488)	(315,080)
Non-controlling interests	(400,281)	(172,046)	(2,846)
	<u>(1,511,836)</u>	<u>(936,534)</u>	<u>(317,926)</u>
	RMB	RMB	RMB
Loss per share			
Basic	(0.28)	(0.18)	(0.11)
Diluted	(0.28)	(0.18)	(0.11)

Save as disclosed above, the Group had no other material items of income or expense for the years ended December 31, 2023, 2024 and 2025.

The auditors of the Company for the years ended December 31, 2023, 2024 and 2025 were Deloitte Touche Tohmatsu. No modified opinion, emphasis of matter or material uncertainty related to going concern was given by the auditors of the Group in respect of the Group's audited consolidated financial statements for the three years ended December 31, 2023, 2024 and 2025.

There was no change in the Group's accounting policy during the three years ended December 31, 2023, 2024 and 2025 which would result in the figures in its consolidated financial statements being not comparable to a material extent.

The financial information of the Group for the years ended December 31, 2023, 2024 and 2025 are disclosed in the annual reports of the Company for the years ended December 31, 2023, 2024 and 2025, which have been published on the websites of the Company (www.yourandairy.com) and the Stock Exchange (www.hkexnews.hk) as follows and are incorporated by reference into this circular:

- (i) from pages 98 to 201 of the annual report of the Company for the year ended December 31, 2023 published on April 25, 2024, which can be accessed via the link at <https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0425/2024042503199.pdf>
- (ii) from pages 93 to 195 of the annual report of the Company for the year ended December 31, 2024 published on April 25, 2025, which can be accessed via the link at <https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0425/2025042503263.pdf>
- (iii) from pages 80 to 183 of the annual report of the Company for the year ended December 31, 2025 published on April 24, 2026, which can be accessed via the link at <https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0424/2026042402570.pdf>

(B) INDEBTEDNESS

As at March 31, 2026, being the latest practicable date for the purpose of this statement of indebtedness of the Group prior to the printing of this circular, apart from intra-group liabilities and normal trade and other payables in the ordinary course of business, the Group did not have any other bank overdrafts, loans, debt securities or other similar indebtedness, mortgages, charges, guarantees or other material contingent liabilities.

(C) NO MATERIAL CHANGE

The Directors confirm that there has been no material change in the financial or trading position or outlook of the Group subsequent to December 31, 2025, being the date to which the latest published audited financial statements of the Group were made up, up to and including the Latest Practicable Date.

(D) FINANCIAL AND TRADING PROSPECTS OF THE GROUP

Looking ahead, the Group will deeply leverage national policy benefits and development opportunities in consumption promotion, steadfastly implement the established strategic direction, and continuously advance the execution of its core strategic initiatives. With innovation as the core engine for high-quality development, the Group will fully integrate digital technologies and lean management models to inject robust momentum across the entire business chain. By fully unleashing the advantages of platform resource integration, synergistic effects of the full industrial chain, and the potential of its high-caliber talent team, the Group will remain anchored to the path of green and sustainable development while intensifying its focus on core business segments. The Group aims to build a more resilient core competitiveness, consistently enhance operational efficiency and resource allocation capabilities, and steadily expand revenue and profit growth opportunities.

The following is the text of a letter and summary disclosure of values, prepared for the purpose of incorporation in this circular received from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer, in connection with its valuation as at January 31, 2026 of the property interests held by the Group. As described in the section headed “(P) Documents on Display” in Appendix III, a copy of the full property valuation report of the Group is available for public inspection.



Jones Lang LaSalle Corporate Appraisal and Advisory Limited
7th Floor, One Taikoo Place
979 King's Road, Hong Kong
tel +852 2846 5000 fax +852 2169 6001
Company Licence No.: C-030171

仲量聯行企業評估及諮詢有限公司
香港英皇道979號太古坊一座7樓
電話 +852 2846 5000 傳真 +852 2169 6001
公司牌照號碼：C-030171

The Board of Directors
China Youran Dairy Group Limited
89 Nexus Way
Camana Bay, Grand Cayman
KY1-9009, Cayman Islands

30 April 2026

Dear Sirs,

In accordance with your instructions to value the property interests held by **China Youran Dairy Group Limited** (the “**Company**”) and its subsidiaries (hereinafter together referred to as the “**Group**”) in the People’s Republic of China (the “**PRC**”), we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion on the market values of the property interests as at 31 January 2026 (the “**valuation date**”).

Our valuation is carried out on a market value basis. Market value is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

We have valued property nos. 5-2, 5-3 and 8-2 in Group I which are held and occupied by the Group in the PRC by the comparison approach assuming sale of the property interests in their existing states with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the market. This approach rests on the wide acceptance of the market transactions as the best indicator and pre-supposes that evidence of relevant transactions in the market place can be extrapolated to similar properties, subject to allowances for variable factors.

Due to the nature of the buildings and structures of the remaining properties in Group I, there are unlikely to be relevant market comparable sales readily available, the relevant property interests have been valued by the cost approach with reference to their depreciated replacement cost.

Depreciated replacement cost is defined as “the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization.” It is based on an estimate of the market value for the existing use of the land, plus the current cost of replacement of the improvements, less deduction for physical deterioration and all relevant forms of obsolescence and optimization. In arriving at the value of the land portion, reference has been made to the sales evidence as available in the locality. The depreciated replacement cost of the property interest is subject to adequate potential profitability of the concerned business. In our valuation, it applies to the whole of the complex or development as a unique interest, and no piecemeal transaction of the complex or development is assumed.

In valuing the property interests in Group II which are held under development by the Group (comprising property no. 92 and portions of property nos. 102, 122 and 123), we have assumed that they will be developed and completed in accordance with the latest development proposals provided to us by the Group. In arriving at our opinion of values, we have adopted the comparison approach by making reference to land comparable sales evidence as available in the relevant market and have also taken into account the accrued construction cost and professional fees relevant to the stage of construction as at the valuation date. We have relied on the accrued construction cost and professional fees information provided by the Group according to the different stages of construction of the properties as at the valuation date, and we did not find any material inconsistency from those of other similar developments.

For the property interest in Group III which is property interest to be acquired by the Group, the Group has entered into State-owned Land Grant Contract of the property with the relevant government authorities. Since the Group has not yet obtained the State-owned Land Use Rights Certificate as at the valuation date, we have attributed no commercial value to property interest.

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interests valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

In valuing the property interests, we have complied with the requirements contained in Rule 11 of the Code on Takeovers and Mergers issued by Securities and Futures Commission; the RICS Valuation – Global Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors, and the International Valuation Standards published by the International Valuation Standards Council.

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy and all other relevant matters.

We have been shown copies of title documents including State-owned Land Use Rights Certificates, Real Estate Title Certificates and Building Ownership Certificates and other official documents relating to the property interests in the PRC and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the property interests in the PRC and any material encumbrance that might be attached to the property interests or any tenancy amendment. We have relied considerably on the legal opinion dated 23 April 2026 given by the Company's PRC Legal Advisor – Tian Yuan Law Firm, concerning the validity of the property interests in the PRC.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the properties. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects is satisfactory and that no unexpected cost and delay will be incurred during construction. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

Inspection of the properties was carried out in March 2026 by 9 technical staff including Arnold Gao, Evelyn Xu, Joan Zhu, Peiling Cai, Queena Qiao, Landy Wu, Angela Wu, Sarah Zhang and Stone Chen. They are either Chartered Surveyor, China Land Valuer, China Real Estate Appraiser or have more than 3 years' experience in the valuation of properties.

Climate change, sustainability, resilience, and ESG are increasingly influencing investment approaches as they may affect prospects for rental and capital growth, and susceptibility to obsolescence. Properties that do not meet the sustainability characteristics expected in the market may represent a higher investment risk, particularly as occupiers become more conscious of ESG impacts on operational workspace, which could impact on vacancy and rental levels. This view is supported by RICS in their recently published guidance note “Sustainability and ESG in commercial property valuation and strategic advice (3rd Edition).”

While some of the sustainability and ESG initiatives are considered subjective and intangible, they cannot always be demonstrated with quantifiable evidence. Based on our research and local market knowledge, there is not yet any direct and tangible evidence of ESG being reflected in specific investment behaviours and/or pricing considerations for assets of a similar nature to the subject property, although it is acknowledged that ESG criteria is forming part of an increasing number of investment mandates. However more tangible benefits such as energy efficiency are realisable in operational costs. We have not undertaken full asset and market investigations in this regard. Whilst there is currently no direct and tangible evidence to suggest that the market is making pricing adjustments for ESG, we will continue to monitor market movements and sentiment.

As at the valuation date, unless otherwise stated, the monetary figures stated in our valuations are in Renminbi (“RMB”) in respect of all the properties. The exchange rate adopted in our valuation is Hong Kong Dollar (“HKD”) 1 = RMB0.8926.

The potential tax liabilities that would arise on the disposal of the property interests in the PRC mainly comprise value-added tax at the standard rate of 9% (or 5% under the simplified taxation method), stamp duty at the rate of 0.05% of the contract price, land appreciation tax at progressive rates ranging from 30% to 60% on the appreciated amount (being the proceeds of sales of the property less deductible expenditure including costs of land, development and construction), and enterprise income tax at the rate of 25% on the gain (which may be reduced to 15% where preferential tax treatment applies). The actual tax rates and liabilities upon disposal will be subject to confirmation by the relevant tax authorities.

Except for portions of property No. 92 which are scheduled to be disposed of in the future, in respect of the remaining properties held and occupied or under construction by the Group for dairy farm, feed production, forage grass plantation, office and ancillary purposes, considering the Group’s nature of business in agriculture, forestry, animal husbandry, and fishery, the likelihood of the relevant tax liabilities crystallizing is remote as the Group has no plans for the disposal of such properties yet.

Our summary of values and valuation certificates are attached below for your attention.

Yours faithfully,
For and on behalf of
Jones Lang LaSalle Corporate Appraisal and Advisory Limited
Eddie T. W. Yiu
MHKIS, MRICS, R.P.S.(GP)
Senior Director

Notes: Eddie T.W. Yiu is a Chartered Surveyor who has 32 years' experience in the valuation of various sectors of the property industry in Hong Kong and experience in the PRC as well as relevant experience in the Asia-Pacific region.

SUMMARY DISCLOSURE OF PROPERTY VALUATION

Abbreviation:

GFA: Gross Floor Area “—”: Not Applicable or not available

NCV: No commercial value

We listed all relevant companies and the equity interests as below:

Holding Entity (Chinese)	Holding Entity (English)	Equity interests owned by the Company
內蒙古伊禾綠錦農業發展有限公司	Inner Mongolia Yihelvjin Agricultural Development Co., Ltd.	100%
內蒙古牧泉元興飼料有限責任公司	Inner Mongolia Muquan Yuanxing Feed Co., Ltd.	100%
巴彥淖爾市牧泉元興飼料有限責任公司	Bayan Naur Muquan Yuanxing Feed Co., Ltd.	100%
烏蘭察布市牧泉元興飼料有限責任公司	Ulanqab Muquan Yuanxing Feed Co., Ltd.	100%
寧夏伊康元生物科技有限公司	Ningxia Yikangyuan Biotechnology Co., Ltd.	100%
大慶牧泉元興生物科技有限責任公司	Daqing Muquan Yuanxing Biotechnology Co., Ltd.	100%
杜爾伯特牧泉元興飼料有限責任公司	Dorbod Muquan Yuanxing Feed Co., Ltd.	100%
河北牧泉元興生物科技有限責任公司	Hebei Muquan Yuanxing Biotechnology Co., Ltd.	100%
山東牧泉元興生物科技有限責任公司	Shandong Muquan Yuanxing Biotechnology Co., Ltd.	100%
內蒙古優然牧業有限責任公司	Inner Mongolia Youran Husbandry Co., Ltd.	100%
合肥優然牧業有限責任公司	Hefei Youran Husbandry Co., Ltd.	100%
吳忠優然牧業有限責任公司	Wuzhong Youran Husbandry Co., Ltd.	100%
達拉特旗優然牧業有限責任公司	Dalad Banner Youran Husbandry Co., Ltd.	100%
杜爾伯特蒙古族自治縣中都畜牧有限責任公司	Dorbod Mongol Autonomous County Zhongdu Husbandry Co., Ltd.	100%
濟南優然牧業有限責任公司	Jinan Youran Husbandry Co., Ltd.	100%
阜新優然牧業有限責任公司	Fuxin Youran Husbandry Co., Ltd.	100%
黃岡優然牧業有限責任公司	Huanggang Youran Husbandry Co., Ltd.	100%
成都優然牧業有限責任公司	Chengdu Youran Husbandry Co., Ltd.	100%
南京優然牧業有限責任公司	Nanjing Youran Husbandry Co., Ltd.	100%
內蒙古優然牧業有限責任公司托克托縣分公司	Inner Mongolia Youran Animal Husbandry Co., Ltd. Tuoketuo County Branch	100%
內蒙古優然牧業有限責任公司清水河縣分公司	Inner Mongolia Youran Animal Husbandry Co., Ltd. Qingshuihe County Branch	100%
內蒙古優然牧業有限責任公司武川縣分公司	Inner Mongolia Youran Animal Husbandry Co., Ltd. Wuchuan County Branch	100%
黃岡優然牧業有限責任公司武穴分公司	Huanggang Youran Animal Husbandry Co., Ltd. Wuxue Branch	100%
銅川優然牧業有限責任公司	Tongchuan Youran Husbandry Co., Ltd.	100%
錫林浩特市優然牧業有限責任公司	Xilinhot Youran Husbandry Co., Ltd.	100%
林甸優然牧業有限責任公司	Lindian Youran Husbandry Co., Ltd.	100%
呼倫貝爾優然牧業示範牧場有限責任公司	Hulunbuir Youran Husbandry Model Farm Co., Ltd.	100%
平頂山優然牧業有限責任公司	Pingdingshan Youran Husbandry Co., Ltd.	100%
武威市優然牧業有限責任公司	Wuwei Youran Husbandry Co., Ltd.	100%

Holding Entity (Chinese)	Holding Entity (English)	Equity interests owned by the Company
興安盟優然牧業有限責任公司	Xing'anmeng Youran Husbandry Co., Ltd.	100%
通遼優然牧業有限責任公司	Tongliao Youran Husbandry Co., Ltd.	100%
駐馬店優然牧業有限責任公司	Zhumadian Youran Husbandry Co., Ltd.	100%
呼和浩特優然牧業有限責任公司	Hohhot Youran Husbandry Co., Ltd.	100%
呼和浩特金河優然牧業有限責任公司	Hohhot Jinhe Youran Husbandry Co., Ltd.	100%
洛陽優然牧業有限責任公司	Luoyang Youran Husbandry Co., Ltd.	100%
合肥元興牧業有限責任公司	Hefei Yuanxing Animal Husbandry Co., Ltd.	100%
濰坊優然牧業有限責任公司	Weifang Youran Husbandry Co., Ltd.	100%
壽光優然牧業有限責任公司	Shouguang Youran Husbandry Co., Ltd.	100%
開魯優然牧業有限責任公司	Kailu Youran Husbandry Co., Ltd.	100%
聊城優然牧業有限責任公司	Liaocheng Youran Husbandry Co., Ltd.	100%
雲南優然牧業有限責任公司	Yunnan Youran Husbandry Co., Ltd.	100%
昌吉優然牧業有限責任公司	Changji Youran Husbandry Co., Ltd.	100%
昌邑優然牧業有限責任公司	Changyi Youran Husbandry Co., Ltd.	100%
山西優然牧業有限責任公司	Shanxi Youran Husbandry Co., Ltd.	100%
寒亭優然牧業有限責任公司	Hanting Youran Husbandry Co., Ltd.	100%
平涼優然牧業有限責任公司	Pingliang Youran Husbandry Co., Ltd.	100%
清水河優然牧業有限責任公司	Qingshui River Youran Husbandry Co., Ltd.	100%
唐山優然牧業有限責任公司	Tangshan Youran Husbandry Co., Ltd.	100%
安達市優然牧業有限責任公司	Anda Youran Animal Husbandry Co., Ltd.	100%
獻縣優然牧業有限責任公司	Xianxian Youran Husbandry Co., Ltd.	100%
托克托縣優然牧業有限責任公司	Tuoketuoxian Youran Husbandry Co., Ltd.	100%
山西優然天合牧業有限責任公司	Shanxi Youran-Tianhe Husbandry Co., Ltd.	100%
肇東市長青畜牧有限公司	Zhaodong Changqing Husbandry Co., Ltd.	100%
張北中都畜牧有限責任公司	Zhangbei Zhongdu Husbandry Co., Ltd.	100%
內蒙古敕勒川旅遊文化有限公司	Inner Mongolia Chilechuan Tourism and Culture Co., Ltd.	100%
內蒙古優創實業有限責任公司	Inner Mongolia Youchuang Industrial Co., Ltd.	100%
咸陽優然智慧牧業有限責任公司	Xianyang Youran Smart Animal Husbandry Co., Ltd.	100%
內蒙古犇騰牧業有限公司	Inner Mongolia Best Holsteins Co., Ltd.	66.86%
內蒙古賽科星牧業有限公司	Inner Mongolia Saikexing Animal Husbandry Co., Ltd.	66.86%
清水河賽科星牧業有限責任公司	Qingshuihe Saikexing Animal Husbandry Co., Ltd.	66.86%
鄂爾多斯市賽科星養殖有限責任公司	Ordos Saikexing Breeding Co., Ltd.	66.86%
達拉特旗賽優牧業有限公司	Dalad Banner Saiyou Animal Husbandry Co., Ltd.	66.86%
鄂托克旗賽優牧業有限公司	Otog Banner Saiyou Animal Husbandry Co., Ltd.	66.86%
巴彥淖爾賽科星牧業有限責任公司	Bayannur Saikexing Animal Husbandry Co., Ltd.	66.86%
寧夏賽科星養殖有限責任公司	Ningxia Saikexing Breeding Co., Ltd.	66.86%
河北犇放牧業有限公司	Hebei Benfang Animal Husbandry Co., Ltd.	66.86%
武強賽優牧業有限公司	Wuqiang Saiyou Animal Husbandry Co., Ltd.	66.86%
滄州賽科星牧業有限公司	Cangzhou Saikexing Animal Husbandry Co., Ltd.	66.86%
定州市賽科星伊人牧業有限公司	Dingzhou Saikexing Iren Animal Husbandry Co., Ltd.	66.86%
北京海華雲都生態農業有限公司	Beijing Haihua Yundu Ecological Agriculture Co., Ltd.	66.86%
承德賽優牧業有限公司	Chengde Saiyou Animal Husbandry Co., Ltd.	66.86%
華夏畜牧興化有限公司	Huaxia Animal Husbandry Xinghua Co., Ltd.	66.86%

Holding Entity (Chinese)	Holding Entity (English)	Equity interests owned by the Company
尋甸賽優牧業有限公司	Xundian Saiyou Animal Husbandry Co., Ltd.	66.86%
呼倫貝爾市賽優牧業有限公司	Hulunbuir Saiyou Animal Husbandry Co., Ltd.	66.86%
呼倫貝爾賽科星牧業有限責任公司	Hulunbuir Saikexing Animal Husbandry Co., Ltd.	66.86%
內蒙古賽科星繁育生物技術(集團)股份有限公司	Inner Mongolia Saikexing Reproductive Biotechnology Co., Ltd.	66.86%
內蒙古賽科星家畜種業與繁育生物技術研究院有限公司	Inner Mongolia Saikexing Livestock Seed Industry and Breeding Biotechnology Research Institute Co., Ltd.	66.86%
內蒙古賽科星肉牛良種繁育有限公司	Inner Mongolia Saikexing Beef Cattle Elite Breeding Co., Ltd.	66.86%
濟源市賽科星牧業有限公司	Jiyuan Saikexing Animal Husbandry Co., Ltd.	66.86%

The valuation summary and major parameters in the valuation of each property from the full valuation report are listed below. In the course of our valuation, we have relied on the information provided by the Group and, where required, its legal advisers regarding the title to the properties and, based on the information provided by the Group and the opinion of its legal advisers, properties with assigned commercial values in this Appendix have proper legal title.

Property Group	Property No.	Market value attributable to the Group as at 31 January 2026 RMB
Group I — Property interests held and occupied by the Group in the PRC	Nos. 1 to 4, 5-2, 5-3, 6, 7, 8-1, 8-2, 9 to 91, 93 to 101 and 103 to 121, portions of nos. 5-1, 102, 122 and 123	609,551,000 (Refer to the notes 2, 3 and 4)
Group II — Property interests held and under construction by the Group in the PRC	No. 92, portions of nos. 102, 122 and 123	88,164,000 (Refer to the note 5)
Group III — Property interest contracted to be acquired by the Group in the PRC	Portions of no. 5-1	No commercial value (Refer to the note 6)
	Total:	697,715,000 (Equivalent to approximately HKD781,663,000)

Notes:

1. The exchange rate adopted in our valuation is HKD1=RMB0.8926 which was the middle rate published by the Bank of China as at the valuation date.
2. For the portion of the Group's assets of which land use rights and building ownership certificates have been obtained in Group I, we have provided our opinion of the market value for them (including land, buildings and structures erected on the land). For the portion of the Group's assets of which building ownership certificates have not been obtained and/or in leased land nature in Group I, we have attributed no commercial value to them. However, for reference purposes, we have provided our opinion of the depreciated replacement cost of such assets (including buildings and structures).
3. Due to the lack of proper building title certificates, we have relied on the legal opinion and attributed no commercial value to several buildings of properties nos. 2, 3, 4, 7, 8-1, 33, 58, 60, 62, 72 and 117 in Group I, which were constructed by the Group on its own land. For reference purposes, we are of the opinion that the depreciated replacement cost of the buildings as at the valuation date would be RMB130,232,000 (Equivalent to approximately HKD145,902,000).
4. We have attributed no commercial value to property nos. 1, 10 to 32, 34 to 49, 52, 53, 55 to 57, 59, 61, 63 to 71, 73 to 91, 93 to 99, 101 to 104, 106 to 116, 122 and 123, portions of property nos. 33, 50, 51, 54, 58, 60, 62, 72, 100, 105, 117, 118, 120 and 121 in Group I due to the leased land nature. However, for reference purposes, we are of the opinion that the depreciated replacement cost of the buildings and the structures of these properties as at the valuation date would be RMB14,324,377,000 (Equivalent to approximately HKD16,047,923,000).
5. For property no. 92, the Group has obtained the Land Use Rights Certificate and relevant construction approvals and therefore we have provided our opinion of its market value. We have attributed no commercial value to portions of property nos. 102, 122 and 123 in Group II due to the leased land nature of the properties. For reference purposes, we are of the opinion that the replacement cost of these buildings and structures under construction of the properties would be RMB5,344,000 (Equivalent to approximately HKD5,988,000).
6. We have attributed no commercial value to a parcel of land of property no. 5-1 in Group III as the State-owned Land Use Rights Certificate has not yet been obtained as at the valuation date. For reference purposes, we are of the opinion that the market value of this parcel of land as at the valuation date would be RMB5,566,000 (Equivalent to approximately HKD6,236,000).

Group I — Property interests held and occupied by the Group in the PRC

Remark

- The valuation in the “Market Value” column is provided for the portion of the Group’s assets of which land use rights and building ownership certificates have been obtained, including land, buildings, and structures erected on the land.
- The monetary figure in the “Depreciated Replacement Cost” column is provided for buildings and structures of which building ownership certificates have not been obtained and/or in leased land nature.

No.	Name of Property	Company	Province/ Municipality	Land Use Rights Expiry Date	Site Area (sq.m.) (approx.)	GFA (sq.m.) (approx.)	Building Type	Structure Type	Completion Year	Leased Land Site Area (sq.m.) (approx.)	Market Value in existing state as at valuation date (RMB)	Market Value Attributable to the Group as at valuation date (RMB)	Depreciated Replacement Cost of buildings and structures (for property without proper title certificates and/or in leased land nature) as at the valuation date (RMB)
1	Inner Mongolia Yihe Livjin 内蒙古伊和旗	Inner Mongolia Yihejin Agricultural Development Co., Ltd.	Chifeng City, Inner Mongolia Autonomous Region	-	-	27,278.91	office building, dormitory building, hay barns and ancillary buildings	boundary walls, roads, drainage ditch and water well	2015 to 2017	24,831,604.16	NCV	NCV	27,005,000
2	Inner Mongolia Muquan Yuanxing 内蒙古牧康元興	Inner Mongolia Muquan Yuanxing Feed Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	2053-11-04	91,102.60	24,029.13	office building, warehouse, production workshops, dormitory building and ancillary buildings	roads, pipelines, boundary walls & fences, ancillary structure	2000 to 2017	-	42,646,000	42,646,000	837,000
3	Bayannur Muquan Yuanxing 巴彦淖爾牧康元興	Bayan Naur Muquan Yuanxing Feed Co., Ltd.	Bayannur City, Inner Mongolia Autonomous Region	2056-10-20	60,445.59	7,502.68	office building, warehouse, production workshop, and ancillary buildings	roads, pipelines, boundary walls & fences, pools, canopy, flag mast	2007 to 2021	-	20,821,000	20,821,000	581,000
4	Ulaanab Muquan Yuanxing 烏蘭察布牧康元興	Ulaanab Muquan Yuanxing Feed Co., Ltd.	Ulaanab City, Inner Mongolia Autonomous Region	2056-12-30	63,577.10	19,630.21	office building, warehouse, production workshop, and ancillary buildings	roads, boundary walls & fences, pools, ancillary structure	2009 to 2023	-	37,475,000	37,475,000	3,044,000

APPENDIX II

SUMMARY OF PROPERTY VALUATION REPORT

No.	Name of Property	Company	Province/ Municipality	Site Area (sq.m.) (approx.)	Land Use Rights Expiry Date	GFA (sq.m.) (approx.)	Building Type	Structure Type	Completion Year	Leased Land Site Area (sq.m.) (approx.)	Market Value in existing state as at valuation date (RMB)	Market Value Attributable to the Group as at valuation date (RMB)	Depreciated Replacement Cost of buildings and structures (for property without proper title certificates and/or in leased land nature) as at the valuation date (RMB)
5-1	Ningxia Yikangyuan 宁夏伊康元	Ningxia Yikangyuan Biotechnology Co., Ltd.	Wuzhong City, Ningxia Hui Autonomous Region	45,314.90	2065-10-31	15,598.44	composite building, warehouse, production workshop, and ancillary buildings	grain silos, roads, pipelines, canopy, chimney, flag mast	2018	-	54,075,000	54,075,000	-
5-2	Tianyi Fortune Plaza 天一财富广场	Ningxia Yikangyuan Biotechnology Co., Ltd.	Wuwei City, Gansu Province	-	2036-07-08	85.74	Commercial	-	2016	-	583,000	583,000	-
5-3	Xingchen • Xinghewan 星辰•星河湾	Ningxia Yikangyuan Biotechnology Co., Ltd.	Wuwei City, Gansu Province	-	2087-11-29	129.40	Residential	-	2017	-	728,000	728,000	-
6	Daqing Muquan Yuanxing 大慶牧場元興	Daqing Muquan Yuanxing Biotechnology Co., Ltd.	Daqing City, Heilongjiang Province	61,052.00	2070-05-30	14,184.72	office building, laboratory, production workshop	storage facility, roads, pipelines, boundary walls & fences, gas supply facility, ancillary structure	2022	-	67,065,000	67,065,000	-
7	Duerbot Muquan Yuanxing 杜爾伯特牧場元興	Dorbot Muquan Yuanxing Feed Co., Ltd.	Daqing City, Heilongjiang Province	34,500.00	2052-04-25	8,158.13	office building, laboratory, production workshop	grain silos, roads, pipelines, boundary walls & fences, pools, ancillary structure	2004 to 2025	-	11,437,000	11,437,000	4,440,000

APPENDIX II

SUMMARY OF PROPERTY VALUATION REPORT

No.	Name of Property	Company	Province/ Municipality	Site Area (sq.m.) (approx.)	Land Use Rights Expiry Date	GFA (sq.m.) (approx.)	Building Type	Structure Type	Completion Year	Leased Land Site Area (sq.m.) (approx.)	Market Value in existing state as at valuation date (RMB)	Market Value Attributable to the Group as at valuation date (RMB)	Depreciated Replacement Cost of buildings and structures (for property without proper title certificates and/or in leased land nature) as at the valuation date (RMB)
8-1	Hebei Muquan Yuanxing 河北牧泉元興	Hebei Muquan Yuanxing Biotechnology Co., Ltd.	Dingzhou City, Hebei Province	33,333.34	2071-09-01	23,447.11	composite building, production workshop, canteen	roads, boundary walls & fences	2024	-	17,889,000	17,889,000	66,099,000
8-2	Oriental Jiayuan 東方嘉苑	Hebei Muquan Yuanxing Biotechnology Co., Ltd.	Tangshan City, Hebei Province	-	2084-12-17	258.15	Residential	-	2019	-	1,123,000	1,123,000	-
9	Shandong Muquan Yuanxing 山東牧泉元興	Shandong Muquan Yuanxing Biotechnology Co., Ltd.	Jinan City, Shandong Province	66,747.00	2070-04-08	9,922.76	office building, warehouse, production workshop, and ancillary buildings	roads, boundary walls & fences, canopy flag mast	2021	-	65,920,000	65,920,000	-
10	Gaoquanying 2000-Head Dairy Farm 高賽營二千頭牧場	Inner Mongolia Youan Husbandry Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	-	-	763.49	composite building, power distribution room and guardhouse	cowsheds, hay sheds, concentrate towers, silage cellars and weighbridge	2014	214,227.74	NCV	NCV	19,512,000
11	Gaoquanying 1000-Head Dairy Farm 高賽營千頭牧場	Inner Mongolia Youan Husbandry Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	-	-	749.84	composite building, power distribution room and guardhouse	cowsheds, concentrate store, hay sheds, silage cellars and fermentation facility	2010	78,667.06	NCV	NCV	6,810,000
12	Yaoliwan 1000-Head Dairy Farm 窯子灣千頭牧場	Inner Mongolia Youan Husbandry Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	-	-	749.84	office building, power distribution room and guardhouse	cowsheds, concentrate store, hay sheds, silage cellars and fermentation facility	2009	80,000.40	NCV	NCV	5,666,000

APPENDIX II

SUMMARY OF PROPERTY VALUATION REPORT

No.	Name of Property	Company	Province/ Municipality	Site Area (sq.m.) (approx.)	Land Use Rights Expiry Date	GFA (sq.m.) (approx.)	Building Type	Structure Type	Completion Year	Leased Land Site Area (sq.m.) (approx.)	Market Value in existing state as at valuation date (RMB)	Market Value Attributable to the Group as at valuation date (RMB)	Depreciated Replacement Cost of buildings and structures (for property certificates and/or in leased land nature) as at the valuation date (RMB)
13	Lancan Dairy Farm 蘭察牧場	Inner Mongolia Youan Husbandry Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	-	-	749.84	composite building, power distribution room and guardhouse	cowsheds, concentrate store, hay sheds, silage cellars and fermentation facility	2010	80,000.40	NCV	NCV	5,236,000
14	Nashitu Dairy Farm 那什圖牧場	Inner Mongolia Youan Husbandry Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	-	-	503.80	office building, dormitory building and ancillary building	cowsheds, silage cellars, hay sheds, silage facility, concentrate towers and weighbridge	2011 to 2015	500,002.50	NCV	NCV	31,758,000
15	Yushiqiqi Dairy Farm 雨樹齊齊牧場	Inner Mongolia Youan Husbandry Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	-	-	530.54	composite building, power distribution room and ancillary building	cowsheds, concentrate store, hay sheds, silage cellars and fermentation facility	2010	80,000.40	NCV	NCV	5,151,000
16	Shaliang Dairy Farm 沙梁牧場	Inner Mongolia Youan Husbandry Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	-	-	4,893.14	office building, power distribution room and ancillary building	cowsheds, hay sheds, silage cellars, concentrate towers and composting area	2014	505,335.86	NCV	NCV	69,782,000
17	Dongjiaying Dairy Farm 董家營牧場	Inner Mongolia Youan Husbandry Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	-	-	755.72	composite building, power distribution room and guardhouse	cowsheds, concentrate store, hay sheds, silage cellars and fermentation facility	2010	80,000.40	NCV	NCV	5,061,000

APPENDIX II

SUMMARY OF PROPERTY VALUATION REPORT

No.	Name of Property	Company	Province/ Municipality	Site Area (sq.m.) (approx.)	Land Use Rights Expiry Date	GFA (sq.m.) (approx.)	Building Type	Structure Type	Completion Year	Leased Land Site Area (sq.m.) (approx.)	Market Value in existing state as at valuation date (RMB)	Market Value Attributable to the Group as at valuation date (RMB)	Depreciated Replacement Cost of buildings and structures (for property without proper title certificates and/or in leased land nature) as at the valuation date (RMB)
18	Tuzuo Demonstration Dairy Farm 土左示范牧场	Inner Mongolia Youran Husbandry Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	-	-	3,498.56	office building, dormitory building and canteen	cowsheds, hay sheds, silage facility, concentrate store and concentrate towers	2008 to 2010	1,135,339.00	NCV	NCV	86,297,000
19	Dadai Dairy Farm 大岱牧场	Inner Mongolia Youran Husbandry Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	-	-	648.77	composite building and guardhouse	cowsheds, concentrate store, hay sheds, silage cellars and fermentation facility	2010	67,333.67	NCV	NCV	7,465,000
20	Hashatu Dairy Farm 哈沙图牧场	Inner Mongolia Youran Husbandry Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	-	-	1,438.00	composite building, ancillary building and guardhouse	cowsheds, hay sheds, concentrate store, silage cellars and silage facility	2011 to 2017	200,001.00	NCV	NCV	31,256,000
21	Maheiti Dairy Farm 麻合提牧场	Inner Mongolia Youran Husbandry Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	-	-	180.00	composite building, power distribution room and guardhouse	cowsheds, hay sheds, silage cellars, concentrate towers and concentrate store	2010	80,000.40	NCV	NCV	9,572,000
22	Jiajiaying Dairy Farm 贾家营牧场	Inner Mongolia Youran Husbandry Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	-	-	567.00	composite building, power distribution room and guardhouse	cowsheds, concentrate store, hay sheds, silage cellars and fermentation facility	2010	80,000.40	NCV	NCV	4,566,000

APPENDIX II

SUMMARY OF PROPERTY VALUATION REPORT

No.	Name of Property	Company	Province/ Municipality	Site Area (sq.m.) (approx.)	Land Use Rights Expiry Date	GFA (sq.m.) (approx.)	Building Type	Structure Type	Completion Year	Leased Land Site Area (sq.m.) (approx.)	Market Value in existing state as at valuation date (RMB)	Market Value Attributable to the Group as at valuation date (RMB)	Depreciated Replacement Cost of buildings and structures (for property without proper title certificates and/or in leased land nature) as at the valuation date (RMB)
23	Dayang Dairy Farm 大陽牧場	Inner Mongolia Youan Husbandry Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	--	--	4,598.00	composite building, ancillary building and guardhouse	cowsheds, silage facility, hay sheds, silage cellars and weighbridge	2011 to 2019	300,000.50	NCV	NCV	43,897,000
24	Ershijia Dairy Farm 二十家牧場	Inner Mongolia Youan Husbandry Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	--	--	3,529.37	office building, dormitory building and canteen	cowsheds, silage facility, hay sheds, silage cellars and composting area	2013	595,229.63	NCV	NCV	76,072,000
25	Pailouban Dairy Farm 牌樓板牧場	Inner Mongolia Youan Husbandry Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	--	--	749.84	composite building, power distribution room and guardhouse	cowsheds, hay sheds, silage cellars, concentrate towers and concentrate store	2010	79,667.07	NCV	NCV	5,211,000
26	Chenliu Dairy Farm 陳劉牧場	Heifei Youran Husbandry Co., Ltd.	Heifei City, Anhui Province	--	--	1,475.06	milking parlour, composite building and laboratory	cowsheds, concentrate store, silage facility, hay sheds, silage cellars and fermentation facility	2011 to 2019	280,000.40	NCV	NCV	28,588,000
27	Songgang Dairy Farm 宋崗牧場	Heifei Youran Husbandry Co., Ltd.	Heifei City, Anhui Province	--	--	2,098.00	composite building, production building and ancillary building	cowsheds, concentrate store, silage facility, hay sheds and silage cellars	2011 to 2020	326,971.00	NCV	NCV	32,134,000
28	Wuzhong Dairy Farm 吳忠牧場	Wuzhong Youran Husbandry Co., Ltd.	Wuzhong City, Ningxia Hui Autonomous Region	--	--	2,983.00	office building, dormitory building and boiler room	cowsheds, silage cellars, hay sheds, silage facility and concentrate store	2013 to 2020	466,669.00	NCV	NCV	119,359,000

APPENDIX II

SUMMARY OF PROPERTY VALUATION REPORT

No.	Name of Property	Company	Province/ Municipality	Site Area (sq.m.) (approx.)	Land Use Rights Expiry Date	GFA (sq.m.) (approx.)	Building Type	Structure Type	Completion Year	Leased Land Site Area (sq.m.) (approx.)	Market Value in existing state as at valuation date (RMB)	Market Value Attributable to the Group as at valuation date (RMB)	Depreciated Replacement Cost of buildings and structures (for property without proper title certificates and/or in leased land nature) as at the valuation date (RMB)
29	Dalate Fengshuijiang Dairy Farm 達拉特風水梁牧場	Dalad Banner Youran Husbandry Co., Ltd.	Ordos City, Inner Mongolia Autonomous Region	--	--	5,097.07	composite building, power distribution room and ancillary building	cowsheeds, silage cellars, hay sheds, concentrate store and silage facility	2015 to 2023	2,000,000.00	NCV	NCV	106,275,000
30	Haojia Dairy Farm 郝家牧場	Dalad Banner Youran Husbandry Co., Ltd.	Ordos City, Inner Mongolia Autonomous Region	--	--	2,890.00	laboratory, ancillary building and guardhouse	cowsheeds, silage cellars, hay sheds, concentrate store and fermentation facility	2017	3,306,000.00	NCV	NCV	80,384,000
31	Dumeng Yixin Dairy Farm 杜蒙一心牧場	Dorbod Mongol Autonomous County Zhongdu Husbandry Co., Ltd.	Daqing City, Heilongjiang Province	--	--	9,025.58	composite building, boiler room and ancillary building	cowsheeds, hay sheds, fire protection facility, pools and yards	2015 to 2025	800,000.00	NCV	NCV	62,752,000
32	Shandong Jinan Dairy Farm 山東濟南牧場	Jinan Youran Husbandry Co., Ltd.	Jinan City, Shandong Province	--	--	14,320.81	milking parlour, office building and boiler room	cowsheeds, silage cellars, hay sheds, concentrate store, silage facility and pools	2019 to 2022	1,145,619.05	NCV	NCV	191,403,000
33	Liaoning Fuxin Dairy Farm 遼寧阜新牧場	Fuxin Youran Husbandry Co., Ltd.	Fuxin City, Liaoning Province	12,741.00	2073-10-18	10,215.00	milking parlour, laboratory and boiler room	cowsheeds, hay sheds, concentrate store, silage cellars, fire protection facility and pools	2019 to 2020	1,232,226.16	1,720,000	1,720,000	187,700,000
34	Huanggang Macheng Dairy Farm 黃岡麻城牧場	Huanggang Youran Husbandry Co., Ltd.	Huanggang City, Hubei Province	--	--	3,900.20	office building, dormitory building and canteen	cowsheeds, hay sheds, silage cellars, silage facility and concentrate store	2011 to 2026	25,333.46	NCV	NCV	65,053,000

APPENDIX II

SUMMARY OF PROPERTY VALUATION REPORT

No.	Name of Property	Company	Province/ Municipality	Site Area (sq.m.) (approx.)	Land Use Rights Expiry Date	GFA (sq.m.) (approx.)	Building Type	Structure Type	Completion Year	Leased Land Site Area (sq.m.) (approx.)	Market Value in existing state as at valuation date (RMB)	Market Value Attributable to the Group as at valuation date (RMB)	Depreciated Replacement Cost of buildings and structures (for property without proper title certificates and/or in leased land nature) as at the valuation date (RMB)
35	Qiangjai Yangba Dairy Farm 巧麻嘉陽牧場	Chengdu Youran Husbandry Co., Ltd.	Chengdu City, Sichuan Province	--	--	1,395.47	composite building, ancillary building and guardhouse	cowsheds, hay sheds, silage cellars, concentrate store, pools and fire protection facility	2010 to 2018	101,933.34	NCV	NCV	12,583,000
36	Yushu Dairy Farm 龍麟牧場	Chengdu Youran Husbandry Co., Ltd.	Chengdu City, Sichuan Province	--	--	1,737.14	office building, veterinary room and dormitory building	cowsheds, silage cellars, silage facility, hay sheds and concentrate store	2011 to 2013	238,000.01	NCV	NCV	20,606,000
37	Nanjing Jinxi Dairy Farm 南京金盞牧場	Nanjing Youran Husbandry Co., Ltd.	Nanjing City, Jiangsu Province	--	--	3,536.60	milking parlour, office building and laboratory	cowsheds, concentrate store, hay sheds, silage facility and silage cellars	2012 to 2021	855,204.14	NCV	NCV	25,701,000
38	Dabeiyaoy Dairy Farm 大北窯牧場	Inner Mongolia Youran Animal Husbandry Co., Ltd. Tuoketuo County Branch	Hohhot City, Inner Mongolia Autonomous Region	--	--	2,545.82	composite building, production workshop and ancillary building	cowsheds, silage facility, silage cellars, hay sheds and composting area	2012 to 2020	4,225,760.00	NCV	NCV	47,563,000
39	Qingshuite Dairy Farm 清水河牧場	Inner Mongolia Youran Animal Husbandry Co., Ltd. Qingshuite County Branch	Hohhot City, Inner Mongolia Autonomous Region	--	--	11,887.90	milking parlour, office building and dormitory building	cowsheds, silage facility, hay sheds, silage cellars and concentrate store	2013 to 2021	1,195,245.98	NCV	NCV	95,422,000

APPENDIX II

SUMMARY OF PROPERTY VALUATION REPORT

No.	Name of Property	Company	Province/ Municipality	Site Area (sq.m.) (approx.)	Land Use Rights Expiry Date	GFA (sq.m.) (approx.)	Building Type	Structure Type	Completion Year	Leased Land Site Area (sq.m.) (approx.)	Market Value in existing state as at valuation date (RMB)	Market Value Attributable to the Group as at valuation date (RMB)	Depreciated Replacement Cost of buildings and structures (for property without proper title certificates and/or in leased land nature) as at the valuation date (RMB)
40	Wuchuan Dairy Farm 武川牧場	Inner Mongolia Youran Animal Husbandry Co., Ltd. Wuchuan County Branch	Hohhot City, Inner Mongolia Autonomous Region	--	--	2,754.79	composite building, production workshop and ancillary building	cowsheds, silage cellars, hay sheds, concentrate store and fermentation facility	2015 to 2019	370,860.00	NCV	NCV	69,160,000
41	Wuxue Dairy Farm 武穴牧場	Huanggang Youran Animal Husbandry Co., Ltd. Wuxue Branch	Huanggang City, Hubei Province	--	--	6,623.50	milking parlour, dormitory building and canteen	cowsheds, silage cellars, hay sheds, silage facility, concentrate store and pools	2012 to 2022	540,002.70	NCV	NCV	40,525,000
42	Tongchuan Dairy Farm 綏川牧場	Tongchuan Youran Husbandry Co., Ltd.	Tongchuan City, Shaanxi Province	--	--	7,063.00	milking parlour, composite building and boiler room	cowsheds, silage facility, hay sheds, silage cellars, concentrate store and pools	2014 to 2020	1,333,340.00	NCV	NCV	76,776,000
43	Xilingol Dairy Farm No.1 錫盟第一牧場	Xilinhot Youran Husbandry Co., Ltd.	Xilingol League, Inner Mongolia Autonomous Region	--	--	2,692.00	laboratory, dormitory building and production workshop	cowsheds, hay sheds, concentrate store, silage cellars and fire protection facility	2012 to 2021	1,333,340.00	NCV	NCV	40,677,000
44	Xilingol Dairy Farm No.2 錫盟第二牧場	Xilinhot Youran Husbandry Co., Ltd.	Xilingol League, Inner Mongolia Autonomous Region	--	--	3,973.04	office building, laboratory and dormitory building	cowsheds, silage cellars, hay sheds, concentrate store and fire protection facility	2012 to 2021	1,333,340.00	NCV	NCV	49,403,000

APPENDIX II

SUMMARY OF PROPERTY VALUATION REPORT

No.	Name of Property	Company	Province/ Municipality	Land Use Rights Expiry Date	GFA (sq.m.) (approx.)	Building Type	Structure Type	Completion Year	Leased Land Site Area (sq.m.) (approx.)	Market Value in existing state as at valuation date (RMB)	Market Value Attributable to the Group as at valuation date (RMB)	Depreciated Replacement Cost of buildings and structures (for property without proper title certificates and/or in leased land nature) as at the valuation date (RMB)
45	Lindian Hongqi Dairy Farm 林甸红旗牧场	Lindian Youran Husbandry Co., Ltd.	Daqing City, Heilongjiang Province	--	4,363.00	composite building, boiler room and pump room	cowsheds, hay sheds, silage cellars, concentrate towers and silage facility	2014 to 2018	5,455,360.61	NCV	NCV	87,154,000
46	Lindian Huayuan Dairy Farm 林甸花园牧场	Lindian Youran Husbandry Co., Ltd.	Daqing City, Heilongjiang Province	--	3,720.03	composite building, boiler room and pump room	cowsheds, silage cellars, hay sheds, fermentation facility and pools	2015 to 2021	3,866,686.00	NCV	NCV	81,822,000
47	Lindian Sife Dairy Farm 林甸四合牧场	Lindian Youran Husbandry Co., Ltd.	Daqing City, Heilongjiang Province	--	3,836.93	composite building, boiler room and pump room	cowsheds, silage cellars, hay sheds, fermentation facility and boiler room	2015 to 2022	800,004.00	NCV	NCV	70,548,000
48	Lindian Yonghe Dairy Farm 林甸永合牧场	Lindian Youran Husbandry Co., Ltd.	Daqing City, Heilongjiang Province	--	18.00	ancillary building	silage facility and pools	2022	800,004.00	NCV	NCV	342,000
49	Lindian Demonstration Dairy Farm 林甸示范牧场	Lindian Youran Husbandry Co., Ltd.	Daqing City, Heilongjiang Province	--	8,267.81	laboratory, dormitory building and canteen	cowsheds, silage cellars, hay sheds, concentrate store and weighbridge	2023 to 2025	1,030,821.29	NCV	NCV	298,072,000
50	Linqiazi Dairy Farm 六家子牧场	Hulunbair Youran Husbandry Model Farm Co., Ltd.	Hulunbair City, Inner Mongolia Autonomous Region	2061-5-27	19,885.84	milking parlour, dormitory building and canteen	cowsheds, silage cellars, hay sheds, concentrate store and pools	2021 to 2022	866,671.00	20,015,000	20,015,000	222,217,000

APPENDIX II

SUMMARY OF PROPERTY VALUATION REPORT

No.	Name of Property	Company	Province/ Municipality	Site Area (sq.m.) (approx.)	Land Use Rights Expiry Date	GFA (sq.m.) (approx.)	Building Type	Structure Type	Completion Year	Leased Land Site Area (sq.m.) (approx.)	Market Value in existing state as at valuation date (RMB)	Market Value Attributable to the Group as at valuation date (RMB)	Depreciated Replacement Cost of buildings and structures (for property without proper title certificates and/or in leased land nature) as at the valuation date (RMB)
51	Najitun Dairy Farm 那吉屯牧场	Hulunbur Youran Husbandry Model Farm Co., Ltd.	Hulunbur City, Inner Mongolia Autonomous Region	8,640.00	2060-2-19	8,521.94	dormitory building, boiler room and power distribution room	cowsheds, silage cellars, hay sheds, concentrate store and silage facility	2019 to 2021	1,335,340.00	16,125,000	16,125,000	259,931,000
52	Xiangyangtun Dairy Farm 向阳屯牧场	Hulunbur Youran Husbandry Model Farm Co., Ltd.	Hulunbur City, Inner Mongolia Autonomous Region	-	-	221.76	ancillary building		2025	515,000.00	NCV	NCV	168,000
53	Pingdingshan Dairy Farm 平頂山牧场	Pingdingshan Youran Husbandry Co., Ltd.	Pingdingshan City, Henan Province	-	-	57,871.87	milking parlour, dormitory building and boiler room	cowsheds, silage cellars, hay sheds, silage facility and concentrate store	2020 to 2025	1,085,314.09	NCV	NCV	268,597,000
54	Wuwei Dairy Farm 武威牧场	Wuwei Youran Husbandry Co., Ltd.	Wuwei City, Gansu Province	10,062.20	2060-6-17	23,743.32	milking parlour, composite building and production building	cowsheds, silage cellars, hay sheds, concentrate store and pools	2021 to 2023	1,244,163.19	22,099,000	22,099,000	214,104,000
55	Xing'an League Dairy Farm 興安盟牧场	Xing'anmeng Youran Husbandry Co., Ltd.	Xing'an League, Inner Mongolia Autonomous Region	-	-	18,580.09	milking parlour, dormitory building and canteen	cowsheds, hay sheds, concentrate store, silage cellars, fermentation facility and weighbridge	2021 to 2022	1,365,367.49	NCV	NCV	213,647,000
56	Tongliao Dairy Farm 通遼牧场	Tongliao Youran Husbandry Co., Ltd.	Tongliao City, Inner Mongolia Autonomous Region	-	-	17,477.86	milking parlour, power distribution room and ancillary building	cowsheds, silage cellars, hay sheds, concentrate store and pools	2021 to 2022	1,194,356.97	NCV	NCV	253,784,000

APPENDIX II

SUMMARY OF PROPERTY VALUATION REPORT

No.	Name of Property	Company	Province/ Municipality	Site Area (sq.m.) (approx.)	Land Use Rights Expiry Date	GFA (sq.m.) (approx.)	Building Type	Structure Type	Completion Year	Leased Land Site Area (sq.m.) (approx.)	Market Value in existing state as at valuation date (RMB)	Market Value Attributable to the Group as at valuation date (RMB)	Depreciated Replacement Cost of buildings and structures (for property without proper title certificates and/or in leased land nature) as at the valuation date (RMB)
57	Henan Zhumadian Dairy Farm 河南驻马店牧場	Zhumadian Youran Husbandry Co., Ltd.	Zhumadian City, Henan Province	-	-	30,885.23	milking parlour, dormitory building and canteen	cowsheds, silage cellars, hay sheds, concentrate store, pools and fire protection facility	2021 to 2024	1,885,033.33	NCV	NCV	514,586,000
58	Houshandai Dairy Farm 後臺營牧場	Hohhot Youran Husbandry Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	6,999.00	2063-7-28	7,895.93	milking parlour, laboratory and dormitory building	cowsheds, silage cellars, hay sheds, concentrate store and weighbridge	2022 to 2023	909,322.08	2,653,000	2,653,000	234,292,000
59	Xiaoliobao Dairy Farm 小里堡牧場	Hohhot Youran Husbandry Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	-	-	17,331.43	milking parlour, dormitory building and pump room	cowsheds, silage cellars, hay sheds, concentrate store and weighbridge	2021 to 2023	395,928.65	NCV	NCV	329,873,000
60	Sha'erying Dairy Farm 沙爾營牧場	Hohhot Youran Husbandry Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	7,000.00	2063-7-8	13,491.18	milking parlour, laboratory and dormitory building	cowsheds, silage cellars, hay sheds, concentrate store and weighbridge	2022	1,227,426.14	2,653,000	2,653,000	259,660,000
61	Sha'erying Dairy Farm No.2 沙爾營第二牧場	Hohhot Youran Husbandry Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	-	-	17,532.90	milking parlour, dormitory building and canteen	cowsheds, silage cellars, hay sheds, concentrate store and weighbridge	2023 to 2024	2,237,337.85	NCV	NCV	490,111,000
62	Tiemao Dairy Farm 鐵帽牧場	Hohhot Youran Husbandry Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	7,000.00	2063-7-28	6,833.10	milking parlour, laboratory and dormitory building	cowsheds, silage cellars, hay sheds, concentrate store and fermentation facility	2021 to 2022	607,736.37	2,653,000	2,653,000	119,801,000

APPENDIX II

SUMMARY OF PROPERTY VALUATION REPORT

No.	Name of Property	Company	Province/ Municipality	Site Area (sq.m.) (approx.)	Land Use Rights Expiry Date	GFA (sq.m.) (approx.)	Building Type	Structure Type	Completion Year	Leased Land Site Area (sq.m.) (approx.)	Market Value in existing state as at valuation date (RMB)	Market Value Attributable to the Group as at valuation date (RMB)	Depreciated Replacement Cost of buildings and structures (for property without proper title certificates and/or in leased land nature) as at the valuation date (RMB)
63	Sha'erying Dairy Farm No.3 沙爾營第三牧場	Hohhot Youran Husbandry Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	--	--	8,699.94	milking parlour, laboratory and dormitory building	cowsheeds, silage cellars, hay sheds, concentrate store and fermentation facility	2023	599,743.00	NCV	NCV	160,558,000
64	Jinhe Dairy Farm 金河牧場	Hohhot Jinhe Youran Husbandry Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	--	--	14,587.34	milking parlour, dormitory building and canteen	cowsheeds, silage facility, hay sheds, concentrate store and silage cellars	2022	824,514.07	NCV	NCV	228,221,000
65	Henan Luoyang Dairy Farm 河南洛陽牧場	Luoyang Youran Husbandry Co., Ltd.	Luoyang City, Henan Province	--	--	9,241.54	milking parlour, composite building and dormitory building	cowsheeds, concentrate store, hay sheds, silage cellars, weighbridge and pools	2023 to 2025	406,571.95	NCV	NCV	108,445,000
66	Hefei Yuanxing Dairy Farm 合肥元興牧場	Hefei Yuanxing Animal Husbandry Co., Ltd.	Hefei City, Anhui Province	--	--	11,491.07	office building, dormitory building and canteen	cowsheeds, concentrate store, silage cellars, hay sheds, fermentation facility and pools	2022 to 2023	314,001.57	NCV	NCV	115,165,000
67	Shandong Weifang Dairy Farm 山東濰坊牧場	Weifang Youran Husbandry Co., Ltd.	Weifang City, Shandong Province	--	--	29,256.20	milking parlour, composite building and dormitory building	cowsheeds, silage cellars, concentrate store, hay sheds and silage facility	2021 to 2023	1,065,369.80	NCV	NCV	286,879,000
68	Shandong Shouguang Dairy Farm 山東壽光牧場	Shouguang Youran Husbandry Co., Ltd.	Weifang City, Shandong Province	--	--	23,669.66	milking parlour, composite building and dormitory building	cowsheeds, silage cellars, hay sheds, concentrate store, fire protection facility and pools	2021 to 2022	839,030.86	NCV	NCV	250,441,000

APPENDIX II

SUMMARY OF PROPERTY VALUATION REPORT

No.	Name of Property	Company	Province/ Municipality	Land Use Rights Expiry Date	Site Area (sq.m.) (approx.)	GFA (sq.m.) (approx.)	Building Type	Structure Type	Completion Year	Leased Land Site Area (sq.m.) (approx.)	Market Value in existing state as at valuation date (RMB)	Market Value Attributable to the Group as at valuation date (RMB)	Depreciated Replacement Cost of buildings and structures (for property without proper title certificates and/or in leased land nature) as at the valuation date (RMB)
69	Kailu Dairy Farm 開魯牧場	Kailu Youran Husbandry Co., Ltd.	Tongliao City, Inner Mongolia Autonomous Region	--	--	16,500.22	milking parlour, laboratory and dormitory building	cowsheds, silage cellars, hay sheds, concentrate store and pools	2022 to 2023	1,195,246.67	NCV	NCV	231,001,000
70	Shandong Liaocheng Dairy Farm 山東聊城牧場	Liaocheng Youran Husbandry Co., Ltd.	Liaocheng City, Shandong Province	--	--	15,785.01	milking parlour, dormitory building and canteen	cowsheds, silage cellars, hay sheds, concentrate store and weighbridge	2023 to 2024	1,026,185.78	NCV	NCV	262,353,000
71	Yunnan Xundian Dairy Farm 雲南尋甸牧場	Yunnan Youran Husbandry Co., Ltd.	Kunming City, Yunnan Province	--	--	15,772.76	milking parlour, dormitory building and canteen	cowsheds, silage cellars, hay sheds, concentrate store, pools and fire protection facility	2026	517,354.83	NCV	NCV	149,444,000
72	Xinjiang Changji Dairy Farm 新疆昌吉牧場	Changji Youran Husbandry Co., Ltd.	Changji City, Xinjiang Uyghur Autonomous Region	2062-6-5	9,000.00	12,173.00	office building, laboratory and dormitory building	cowsheds, silage cellars, hay sheds, concentrate store and weighbridge	2025	1,258,339.63	2,855,000	2,855,000	170,670,000
73	Shandong Changyi Dairy Farm 山東昌邑牧場	Changyi Youran Husbandry Co., Ltd.	Weizang City, Shandong Province	--	--	32,526.28	milking parlour, dormitory building and canteen	cowsheds, silage cellars, hay sheds, concentrate store and pools	2023	1,165,400.00	NCV	NCV	413,663,000
74	Shanxi Qixian Dairy Farm 山西祁縣牧場	Shanxi Youran Husbandry Co., Ltd.	Jinzhou City, Shanxi Province	--	--	9,138.53	milking parlour, composite building and dormitory building	cowsheds, silage cellars, concentrate store, hay sheds, fermentation facility and weighbridge	2022 to 2023	371,261.86	NCV	NCV	125,381,000

APPENDIX II

SUMMARY OF PROPERTY VALUATION REPORT

No.	Name of Property	Company	Province/ Municipality	Land Use Rights Expiry Date	GFA (sq.m.) (approx.)	Building Type	Structure Type	Completion Year	Leased Land Site Area (sq.m.) (approx.)	Market Value in existing state as at valuation date (RMB)	Market Value Attributable to the Group as at valuation date (RMB)	Depreciated Replacement Cost of buildings and structures (for property without proper title certificates and/or in leased land nature) as at the valuation date (RMB)
75	Shandong Hanting Dairy Farm 山東萊亭牧場	Hanting Youran Husbandry Co., Ltd.	Weifang City, Shandong Province	--	23,093.63	milking parlour, dormitory building and canteen	cowsheds, silage cellars, hay sheds, concentrate store and pools	2022 to 2024	1,023,102.00	NCV	NCV	439,802,000
76	Pingliang Dairy Farm 平涼牧場	Pingliang Youran Husbandry Co., Ltd.	Pingliang City, Gansu Province	--	6,134.00	office building, laboratory and dormitory building	cowsheds, silage cellars, hay sheds, weighbridge and fermentation facility	2013 to 2023	666,030.00	NCV	NCV	187,597,000
77	Qingshuihe Organic Sheep Farm 清水河有機羊場	Qingshui River Youran Husbandry Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	--	2,722.66	office building, dormitory building and power distribution room	sheep sheds, silage cellars, hay sheds, concentrate store and weighbridge	2022 to 2023	663,430.08	NCV	NCV	127,811,000
78	Qingshuihe Dairy Goat Farm 清水河奶山羊牧場	Qingshui River Youran Husbandry Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	--	3,376.44	dormitory building, canteen and power distribution room	sheep sheds, hay sheds, silage cellars, weighbridge and pools	2023	86,667.10	NCV	NCV	126,220,000
79	Yutian Dairy Farm No.1 玉田一牧	Tangshan Youran Husbandry Co., Ltd.	Tangshan City, Hebei Province	--	7,897.44	office building, dormitory building and canteen	cowsheds, hay sheds, silage cellars, pools, sheds and monitoring wells	2011 to 2023	415,335.31	NCV	NCV	168,669,000
80	Yutian Dairy Farm No.2 玉田二牧	Tangshan Youran Husbandry Co., Ltd.	Tangshan City, Hebei Province	--	5,426.67	office building, dormitory building and canteen	cowsheds, hay sheds, silage cellars, fire protection facility, pools and yards	2012 to 2023	691,452.01	NCV	NCV	124,480,000

APPENDIX II

SUMMARY OF PROPERTY VALUATION REPORT

No.	Name of Property	Company	Province/ Municipality	Site Area (sq.m.) (approx.)	Land Use Rights Expiry Date	GFA (sq.m.) (approx.)	Building Type	Structure Type	Completion Year	Leased Land Site Area (sq.m.) (approx.)	Market Value in existing state as at valuation date (RMB)	Market Value Attributable to the Group as at valuation date (RMB)	Depreciated Replacement Cost of buildings and structures (for property without proper title certificates and/or in leased land nature) as at the valuation date (RMB)
81	Yutian Dairy Farm No.3 玉田三牧	Tangshan Youan Husbandry Co., Ltd.	Tangshan City, Hebei Province	- -	- -	10,733.77	milking parlour, office building and laboratory	cowsheds, hay sheds, silage cellars, pools, pump room and fire protection facility	2014 to 2023	2,696,634.05	NCV	NCV	287,916,000
82	Anda Dairy Farm No.1 安達一牧	Anda Youan Animal Husbandry Co., Ltd.	Suihua City, Heilongjiang Province	- -	- -	3,456.24	office building, dormitory building and boiler room	cowsheds, silage cellars, separation room, pools and monitoring wells	2018 to 2025	413,739.48	NCV	NCV	34,680,000
83	Anda Dairy Farm No.2 安達二牧	Anda Youan Animal Husbandry Co., Ltd.	Suihua City, Heilongjiang Province	- -	- -	3,817.00	office building, boiler room and power distribution room	cowsheds, silage cellars, pools, separation room and monitoring wells	2019 to 2024	387,749.20	NCV	NCV	56,545,000
84	Xianxian Dairy Farm 顯縣牧場	Xianxian Youan Husbandry Co., Ltd.	Cangzhou City, Hebei Province	- -	- -	23,280.73	milking parlour, composite building and dormitory building	cowsheds, silage cellars, hay sheds, concentrate store and fermentation facility	2024 to 2025	2,768,261.18	NCV	NCV	283,325,000
85	Tuoketuo Cucheng Dairy Farm 托縣古城牧場	TuoketuoXian Youan Husbandry Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	- -	- -	21,524.54	milking parlour, dormitory building and canteen	cowsheds, silage cellars, hay sheds, concentrate store and weighbridge	2023 to 2024	992,496.00	NCV	NCV	250,893,000
86	Shuibian Dairy Farm 水邊牧場	Shanxi Youan-Tianhe Husbandry Co., Ltd.	Shaozhou City, Shanxi Province	- -	- -	1,0913.10	milking parlour, office building and dormitory building	cowsheds, hay sheds, silage cellars, concentrate store, silage facility and pump room	2015 to 2019	423,160.00	NCV	NCV	155,481,000

APPENDIX II

SUMMARY OF PROPERTY VALUATION REPORT

No.	Name of Property	Company	Province/ Municipality	Site Area (sq.m.) (approx.)	Land Use Rights Expiry Date	GFA (sq.m.) (approx.)	Building Type	Structure Type	Completion Year	Leased Land Site Area (sq.m.) (approx.)	Market Value in existing state as at valuation date (RMB)	Market Value Attributable to the Group as at valuation date (RMB)	Depreciated Replacement Cost of buildings and structures (for property without proper title certificates and/or in leased land nature) as at the valuation date (RMB)
87	Niuling Dairy Farm 牛霖牧場	Shanxi You'an-Tianhe Husbandry Co., Ltd.	Shaozhou City, Shanxi Province	-	-	9,693.38	office building, dormitory building and production workshop	cowsheds, silage cellars, hay sheds, concentrate store and pump room	2014 to 2025	917,000.00	NCV	NCV	287,890,000
88	Sunshine Dairy Farm 陽光牧場	Shanxi You'an-Tianhe Husbandry Co., Ltd.	Shaozhou City, Shanxi Province	-	-	13,064.88	milking parlour, office building and dormitory building	cowsheds, hay sheds, silage cellars, pools and separation room	2014 to 2025	795,000.00	NCV	NCV	255,554,000
89	Changqing Dairy Farm 長青牧場	Zhaodong Changqing Husbandry Co., Ltd.	Suihua City, Heilongjiang Province	-	-	11,324.00	milking parlour, composite building and office building	cowsheds, hay sheds, silage cellars, concentrate store, silage facility and fermentation facility	2011 to 2021	400,002.00	NCV	NCV	86,499,000
90	Zhangbei Dairy Farm 張北牧場	Zhangbei Zhongdu Husbandry Co., Ltd.	Zhangjiakou City, Hebei Province	-	-	-	ancillary building	monitoring wells	2014	452,002.26	NCV	NCV	111,000
91	Chilechuan Cultural Tourism 牧勒川文旅	Inner Mongolia Chilechuan Tourism and Culture Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	-	-	-	-	viewing platform	2023	395,928.65	NCV	NCV	416,000
93	Xianyang Chunhua Dairy Farm 鹹陽淳化牧場	Xianyang You'an Smart Animal Husbandry Co., Ltd.	Xianyang City, Shaanxi Province	-	-	-	-	pools	2024	971,393.34	NCV	NCV	598,000

APPENDIX II

SUMMARY OF PROPERTY VALUATION REPORT

No.	Name of Property	Company	Province/ Municipality	Land Use Rights Expiry Date	Site Area (sq.m.) (approx.)	GFA (sq.m.) (approx.)	Building Type	Structure Type	Completion Year	Leased Land Site Area (sq.m.) (approx.)	Market Value in existing state as at valuation date (RMB)	Market Value Attributable to the Group as at valuation date (RMB)	Depreciated Replacement Cost of buildings and structures (for property certificates and/or in leased land nature) as at the valuation date (RMB)
94	Benteng Dairy Farm No.1 蘇騰一牧	Inner Mongolia Best Holsteins Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	--	--	15,643.39	milking parlour, office building and dormitory building	cowsheds, hay sheds, silage cellars, feed silos and silage facility	2012 to 2023	881,000.00	NCV	NCV	149,309,000
95	Benteng Dairy Farm No.5 蘇騰五牧	Inner Mongolia Best Holsteins Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	--	--	17,157.14	milking parlour, composite building and office building	cowsheds, silage cellars, hay sheds, concentrate store, silage facility and weighbridge	2014 to 2023	1,208,502.28	NCV	NCV	246,643,000
96	Benteng Dairy Farm No.7 蘇騰七牧	Inner Mongolia Best Holsteins Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	--	--	7,438.83	milking parlour, dormitory building and canteen	cowsheds, silage cellars, hay sheds, silage facility, pools and fire protection facility	2015 to 2021	335,500.00	NCV	NCV	64,176,000
97	Benteng Dairy Farm No.8 蘇騰八牧	Inner Mongolia Best Holsteins Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	--	--	12,696.00	milking parlour, dormitory building and boiler room	cowsheds, silage cellars, hay sheds, silage facility, fermentation facility and pools	2015 to 2023	296,214.70	NCV	NCV	78,744,000
98	Benteng Dairy Farm No.9 蘇騰九牧	Inner Mongolia Best Holsteins Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	--	--	9,618.00	milking parlour, dormitory building and boiler room	cowsheds, silage cellars, hay sheds, pools, yards and roads	2015 to 2023	344,129.89	NCV	NCV	68,593,000
99	Benteng Dairy Farm No.10 蘇騰十牧	Inner Mongolia Best Holsteins Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	--	--	7,647.63	milking parlour, dormitory building and boiler room	cowsheds, silage cellars, hay sheds, silage facility and pools	2015 to 2021	383,335.25	NCV	NCV	84,358,000

APPENDIX II

SUMMARY OF PROPERTY VALUATION REPORT

No.	Name of Property	Company	Province/ Municipality	Land Use Rights Expiry Date	GFA (sq.m.) (approx.)	Building Type	Structure Type	Completion Year	Leased Land Site Area (sq.m.) (approx.)	Market Value in existing state as at valuation date (RMB)	Market Value Attributable to the Group as at valuation date (RMB)	Depreciated Replacement Cost of buildings and structures (for property without proper title certificates and/or in leased land nature) as at the valuation date (RMB)
100	Benteng Dairy Farm No.12 華騰十二牧	Inner Mongolia Best Holsteins Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	2061-6-7	20,683.37	milking parlour, office building and boiler room	cowsheds, silage facility, silage cellars, concentrate store, pools and yards	2012 to 2021	139,998.60	36,966,000	24,715,000	23,835,000
101	Tuoketuo Dairy Farm 托縣牧場	Inner Mongolia Saikexing Animal Husbandry Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	--	9,568.30	office building, dormitory building and production workshop	cowsheds, silage cellars, concentrate store, hay sheds, fermentation facility and pools	2014 to 2023	574,569.54	NCV	NCV	119,015,000
102	Qingshuihe Dairy Farm 清水河牧場	Qingshuihe Saikexing Animal Husbandry Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	--	13,072.28	milking parlour, dormitory building and pump room	cowsheds, silage cellars, hay sheds, fermentation facility, weighbridge and pools	2023	1,000,000.00	NCV	NCV	170,964,000
103	Ordos Dairy Farm 鄂爾多斯牧場	Ordos Saikexing Breeding Co., Ltd.	Ordos City, Inner Mongolia Autonomous Region	--	16,035.26	milking parlour, office building and dormitory building	cowsheds, silage facility, silage cellars, hay sheds, separation room and pools	2013 to 2022	873,854.08	NCV	NCV	114,015,000
104	Dalate Dairy Farm 達拉特牧場	Dalad Banner Saijou Animal Husbandry Co., Ltd.	Ordos City, Inner Mongolia Autonomous Region	--	11,325.30	milking parlour, composite building and dormitory building	cowsheds, hay sheds, silage cellars, concentrate store, silage facility and fire protection facility	2017 to 2024	1,079,524.26	NCV	NCV	147,490,000

APPENDIX II

SUMMARY OF PROPERTY VALUATION REPORT

No.	Name of Property	Company	Province/ Municipality	Site Area (sq.m.) (approx.)	Land Use Rights Expiry Date	GFA (sq.m.) (approx.)	Building Type	Structure Type	Completion Year	Leased Land Site Area (sq.m.) (approx.)	Market Value in existing state as at valuation date (RMB)	Market Value Attributable to the Group as at valuation date (RMB)	Depreciated Replacement Cost of buildings and structures (for property without proper title certificates and/or in leased land nature) as at the valuation date (RMB)
105	Etooke Dairy Farm 鄂圖牧場	Otog Banner Saiyou Animal Husbandry Co., Ltd.	Ordos City, Inner Mongolia Autonomous Region	26,009.10	2062-4-22	34,410.57	milking parlour, office building and laboratory	cowsheds, silage facility, hay sheds, concentrate store, silage cellars and feed silos	2015 to 2022	535,336.01	15,354,000	10,246,000	71,601,000
106	Bayannur Dairy Farm 巴盟牧場	Bayannur Saikexing Animal Husbandry Co., Ltd.	Bayannur City, Inner Mongolia Autonomous Region	-	-	23,902.20	milking parlour, dormitory building and canteen	cowsheds, hay sheds, pools, fire protection facility, yards and roads	2022 to 2024	943,852.07	NCV	NCV	274,342,000
107	Ningxia Dairy Farm No.1 寧夏一牧	Ningxia Saikexing Breeding Co., Ltd.	Yinchuan City, Ningxia Hui Autonomous Region	-	-	19,953.18	office building, dormitory building and production workshop	cowsheds, hay sheds, silage cellars, silage facility, concentrate store and pools	2013 to 2025	484,107.85	NCV	NCV	166,049,000
108	Ningxia Dairy Farm No.2 寧夏二牧	Ningxia Saikexing Breeding Co., Ltd.	Yinchuan City, Ningxia Hui Autonomous Region	-	-	8,548.23	milking parlour, office building and dormitory building	cowsheds, concentrate store, hay sheds, silage facility and silage cellars	2013 to 2025	206,021.51	NCV	NCV	55,000,000
109	Ben Dairy Farm 蓚牧場	Hebei Benfang Animal Husbandry Co., Ltd.	Cangzhou City, Hebei Province	-	-	29,812.40	power distribution room and ancillary building	cowsheds, silage cellars, hay sheds, pools, fire protection facility and yards	2015 to 2025	1,238,833.34	NCV	NCV	352,087,000
110	Wuqiang Dairy Farm 武強牧場	Wuqiang Saiyou Animal Husbandry Co., Ltd.	Hengshui City, Hebei Province	-	-	9,753.39	milking parlour, composite building and canteen	cowsheds, hay sheds, silage cellars, silage facility, pools and separation room	2018 to 2021	410,688.72	NCV	NCV	94,521,000

APPENDIX II

SUMMARY OF PROPERTY VALUATION REPORT

No.	Name of Property	Company	Province/ Municipality	Land Use Rights Expiry Date	GFA (sq.m.) (approx.)	Building Type	Structure Type	Completion Year	Leased Land Site Area (sq.m.) (approx.)	Market Value in existing state as at valuation date (RMB)	Market Value Attributable to the Group as at valuation date (RMB)	Depreciated Replacement Cost of buildings and structures (for property without proper title certificates and/or in leased land nature) as at the valuation date (RMB)
111	Cangzhou Dairy Farm 滄州牧場	Cangzhou Saikexing Animal Husbandry Co., Ltd.	Cangzhou City, Hebei Province	--	6,859.84	office building, laboratory and veterinary room	cowsheds, silage facility, concentrate store, hay sheds, pools and enclosure walls	2015 to 2022	169,333.33	NCV	NCV	31,139,000
112	Dingzhou Dairy Farm 定州牧場	Dingzhou Saikexing Iren Animal Husbandry Co., Ltd.	Dingzhou City, Hebei Province	--	3,819.76	milking parlour, office building and dormitory building	cowsheds, hay sheds, silage cellars, separation room, pools and enclosure walls	2015 to 2021	108,620.88	NCV	NCV	32,691,000
113	Miyun Dairy Farm 密雲牧場	Beijing Haohua Yundu Ecological Agriculture Co., Ltd.	Miyun District, Beijing	--	12,668.07	office building, dormitory building and canteen	cowsheds, concentrate store, silage cellars, hay sheds, silage facility and feed silos	2013 to 2025	730,033.70	NCV	NCV	196,782,000
114	Chengde Dairy Farm 承德牧場	Chengde Saiyou Animal Husbandry Co., Ltd.	Chengde City, Hebei Province	--	6,552.00	milking parlour, office building and boiler room	cowsheds, silage cellars, hay sheds, pools, fire protection facility and separation room	2019 to 2025	173,333.34	NCV	NCV	43,313,000
115	Xinghua Dairy Farm 興化牧場	Huaxia Animal Husbandry Xinghua Co., Ltd.	Taizhou City, Jiangsu Province	--	12,060.51	milking parlour, power distribution room and ancillary building	cowsheds, hay sheds, silage facility, weighbridge, pools and yards	2014 to 2024	4,626,145.25	NCV	NCV	165,474,000

APPENDIX II

SUMMARY OF PROPERTY VALUATION REPORT

No.	Name of Property	Company	Province/ Municipality	Land Use Rights Expiry Date	GFA (sq.m.) (approx.)	Building Type	Structure Type	Completion Year	Leased Land Site Area (sq.m.) (approx.)	Market Value in existing state as at valuation date (RMB)	Market Value Attributable to the Group as at valuation date (RMB)	Depreciated Replacement Cost of buildings and structures (for property without proper title certificates and/or in leased land nature) as at the valuation date (RMB)
116	Xundian Dairy Farm 香甸牧場	Xundian Saiyou Animal Husbandry Co., Ltd.	Kunming City, Yunnan Province	- -	2,733.91	milking parlour, office building and power distribution room	cowsheds, silage facility, hay sheds, pools, yards and enclosure walls	2016 to 2023	135,686.67	NCV	NCV	23,933,000
117	Zhalantun Dairy Farm 察爾森牧場	Hulunbur Saiyou Animal Husbandry Co., Ltd.	Hulunbur City, Inner Mongolia Autonomous Region	5/46.73 2035-7-6	10,672.00	milking parlour, office building and dormitory building	cowsheds, silage cellars, pools, boiler room, yards and roads	2014 to 2024	447,466.67	2,995,000	2,002,000	106,020,000
118	Arongqi Dairy Farm 阿榮旗牧場	Hulunbur Saikexing Animal Husbandry Co., Ltd.	Hulunbur City, Inner Mongolia Autonomous Region	4,900.00 2061-5-26	20,459.68	milking parlour, composite building and production workshop	cowsheds, hay sheds, silage cellars, concentrate store, weighbridge and pools	2023	875,991.05	16,392,000	10,940,000	272,389,000
119	Saikexing Headquarters 賽科星總部	Inner Mongolia Saikexing Reproductive Biotechnology Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	78,226.90 2036-7-27	16,080.95	ancillary building	roads and pipelines	2016	-	97,091,000	64,915,000	-
120	Research Institute 研究院	Inner Mongolia Saikexing Livestock Seed Industry and Breeding Biotechnology Research Institute Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	- -	5,044.01	ancillary building	-	2014 to 2024	139,998.60	245,000	164,000	4,954,000

APPENDIX II

SUMMARY OF PROPERTY VALUATION REPORT

No.	Name of Property	Company	Province/ Municipality	Land Use Rights Expiry Date	Site Area (sq.m.) (approx.)	GFA (sq.m.) (approx.)	Building Type	Structure Type	Completion Year	Leased Land Site Area (sq.m.) (approx.)	Market Value in existing state as at valuation date (RMB)	Market Value Attributable to the Group as at valuation date (RMB)	Depreciated Replacement Cost of buildings and structures (for property without proper title certificates and/or in leased land nature) as at the valuation date (RMB)
121	Seed Industry 種業	Inner Mongolia Saikexing Livestock Seed Industry and Breeding Biotechnology Research Institute Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	2059-4-1	108,346.40	18,996.44	dormitory building, production building and boiler room	cowsheds, silage cellars, pools, fire protection facility, yards and roads	2010 to 2016	1,333,340.00	50,052,000	33,445,000	13,307,000
122	Beef Cattle Farm 肉牛場	Inner Mongolia Saikexing Beef Cattle Elite Breeding Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	--	--	2,058.16	office building, ancillary building and guardhouse	cowsheds, hay sheds, silage facility, pools, enclosure walls and yards	2023	213,597.86	NCV	NCV	19,872,000
123	Jiyuan Dairy Farm 濟源牧場	Jiyuan Saikexing Animal Husbandry Co., Ltd.	Jiyuan City, Henan Province	--	--	10,128.80	milking parlour, office building and dormitory building	cowsheds, silage cellars, silage facility, hay sheds, concentrate store and fire protection facility	2015 to 2025	367,522.99	NCV	NCV	101,214,000
Total:											609,551,000 equivalent to approximately HKD 682,891,000	536,943,000 equivalent to approximately HKD 601,550,000	14,454,609,000 equivalent to approximately HKD 16,193,825,000

Note:

1. For property nos. 5-2, 5-3 and 8-2, we have adopted the comparison approach in our valuation by assuming sale of the property interests in their existing state with the benefit of immediate vacant possession and by making reference to sales comparables as available in the market. In undertaking our valuation, we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the subject property. Appropriate adjustments and analysis are considered to the differences in location, size, building age and other characters between the comparable properties and the property to arrive at the assumed unit rate of the property.
2. Due to the lack of proper building title certificates, we have relied on the legal opinion and attributed no commercial value to several buildings of properties nos. 2, 3, 4, 7, 8-1, 33, 58, 60, 62, 72 and 117, which were constructed by the Group on its own land. For reference purposes, we are of the opinion that the depreciated replacement cost of the buildings (excluding the land element) as at the valuation date would be RMB130,232,000 (Equivalent to approximately HKD145,902,000).
3. We have attributed no commercial value to property nos. 1, 10 to 32, 34 to 49, 52, 53, 55 to 57, 59, 61, 63 to 71, 73 to 91, 93 to 99, 101 to 104, 106 to 116, 122 and 123, portions of property nos. 33, 50, 51, 54, 58, 60, 62, 72, 100, 105, 117, 118, 120 and 121 due to the leased land nature. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the buildings and the structures of these properties as at the valuation date would be RMB14,324,377,000 (Equivalent to approximately HKD16,047,923,000).
4. The exchange rate adopted in our valuation is HKD1=RMB0.8926 which was the middle rate published by the Bank of China as at the valuation date.
5. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal advisor, *inter alia*, the following:
 - a. For the land use rights of property nos. 2 to 4, 5-2, 5-3, 6, 7, 8-1, 8-2, 9, 33, 50, 51, 54, 58, 60, 62, 72, 100, 105, 117 to 119 and portions of property nos. 5-1 and 121, the Group has legally obtained the rights to use the state-owned construction land with the Real Estate Title Certificates and is entitled, in accordance with the provisions of the PRC law, to occupy, use, transfer, lease, mortgage, or otherwise dispose of such land use rights through lawful means. As of 31 January 2026, the aforementioned land use rights are not subject to any mortgage or other encumbrances or restrictions on rights;
 - b. For the portions of buildings of property nos. 2, 3, 4, 7, 50 and 121, the Group legally and validly owns the ownership rights to these buildings and is entitled, in accordance with the law, to occupy, use, lease, transfer, mortgage, or otherwise dispose of such buildings through other lawful means. As of 31 January 2026, the aforementioned buildings are not subject to any mortgage or other encumbrances or restrictions on rights;
 - c. For the portions of buildings of property nos. 4, 8-1, 58, 60, 62 and 72, these buildings are constructed by the Group on its own land of which Real Estate Title Certificates of the buildings have not yet been obtained. According to the Company's description, the Group is in the process of applying for the issuance of Real Estate Title Certificates and is expected to obtain them by 2027. The Group is entitled, under applicable law, to occupy and use such buildings and will hold full ownership rights to the buildings upon obtaining the Real Estate Title Certificates;
 - d. For the portions of buildings of property nos. 2, 3, 7, 33 and 117, these buildings are constructed by the Group on its own land of which Real Estate Title Certificates of the buildings have not yet been obtained. According to the Company's description, due to historical issues, the Group is encountering certain difficulties in processing Real Estate Title Certificates for these buildings, but efforts to complete the registration are still ongoing. As the total area of the relevant buildings accounts for a relatively small proportion of the Group's properties, it does not exert any material adverse effect on the Company's overall production and operation. The Group is entitled, under applicable law, to occupy and use such buildings; and
 - e. For the leased land of property nos. 1, 10 to 91, 93 to 118 and 120 to 123, the relevant lease agreements entered into by the Group with respect to such land are legal, valid, and enforceable, and the Group is entitled to use the land in accordance with the terms of such agreements.

Group II — Property interests held and under construction by the Group in the PRC

No.	Name of Property	Company	Province/ Municipality	Land Use Rights Expiry Date	Planned Building/ GFA (sq.m.) (approx.)	Planned Completion Year	Total Estimated Construction Cost (RMB) (RMB)	Development Cost paid up to the valuation date (RMB) (RMB)	Leased Land Site Area (sq.m.) (approx.)	Market Value in existing state as at valuation date (RMB) (RMB)	Market Value Attributable to the Group as at valuation date (RMB) (RMB)	Replacement Cost of buildings and structures (for property without proper title certificates and/or in leased land nature) as at the valuation date (RMB) (RMB)
92	Youran Animal Husbandry Headquarters 優然牧業總部基 地	Inner Mongolia Yochuang Industrial Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	86,489.37 2063-7-10	45,762.36 office and research center	2027	429,767,000 (RMB)	42,867,000 (RMB)	- (approx.)	88,164,000 (RMB)	88,164,000 (RMB)	- (RMB)
102	Qingshuihe Dairy Farm 清水河牧場	Qingshuihe Saikexing Animal Husbandry Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	- -	13,376.4 cowsheds, and manure gutter	2026	11,135,000 (RMB)	5,696,000 (RMB)	1,000,000.00 (approx.)	- (RMB)	- (RMB)	3,628,000 (RMB)
122	Beef Cattle Farm 肉牛場	Inner Mongolia Saikexing Beef Cattle Elite Breeding Co., Ltd.	Hohhot City, Inner Mongolia Autonomous Region	- -	295 ancillary building	2026	434,000 (RMB)	370,000 (RMB)	213,597.86 (approx.)	- (RMB)	- (RMB)	296,000 (RMB)

6. The market value of the property no. 92 and the replacement cost of portions of property nos. 102, 122 and 123 as if completed as at the valuation date according to the development proposal and which can be freely transferred in the market, would be RMB434,064,000 (Equivalent to approximately HKD486,292,000) and RMB16,206,000 (Equivalent to approximately HKD18,156,000) respectively.
7. We have attributed no commercial value to portions of property nos. 102, 122 and 123 due to the leased land nature. However, for reference purpose, we are of the opinion that the replacement cost of the construction under development of these properties as at the valuation date would be RMB5,344,000 (Equivalent to approximately HKD5,988,000).
8. As advised by the Group, the research center under construction of the property no. 92 will be acquired by Inner Mongolia Dairy Technology Research Institute Co., Ltd. (內蒙古乳業技術研究院有限公司, a connected party of the Company) upon completion for an estimated amount not exceeding RMB250,000,000, with delivery date scheduled no later than 30 September 2027.
9. The exchange rate adopted in our valuation is HKD1=RMB0.8926 which was the middle rate published by the Bank of China as at the valuation date.
10. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal advisor, which contains, inter alia, the following:
 - a. For the land use rights of property no. 92, the Group has legally obtained the rights to use the state-owned construction land with the Real Estate Title Certificate and is entitled, in accordance with the provisions of the PRC law, to occupy, use, transfer, lease, mortgage, or otherwise dispose of such land use rights through lawful means. As of 31 January 2026, the aforementioned land use rights are not subject to any mortgage or other encumbrances or restrictions on rights;
 - b. With respect to property no. 92, the buildings are being constructed by the Group on its own land of which Real Estate Title Certificates of the buildings have not yet been obtained. According to the Company's description, the property is expected to be completed in 2027. The Group will hold full ownership rights to the buildings upon obtaining the Real Estate Title Certificate; and
 - c. For the leased land of property nos. 102, 122 and 123, the relevant lease agreements entered into by the Group with respect to such land are legal, valid, and enforceable, and the Group is entitled to use the land in accordance with the terms of such agreements.

Group III — Property interest contracted to be acquired by the Group in the PRC

No.	Name of Property	Company	Province/ Municipality	Land Use Rights		GFA (sq.m.) (approx.)	Building Type	Structure Type	Completion Year	Leased Land Site Area (sq.m.) (approx.)	Market Value	Market Value for	
				Site Area (sq.m.) (approx.)	Expiry Date						Value in existing state as at valuation date	Attributable to the Group as at valuation date	reference (for property certificates) as at the valuation date
5-1	Ningxia Yikangyuan 宁夏伊康元	Ningxia Yikangyuan Biotechnology Co., Ltd.	Wuzhong City, Ningxia Hui Autonomous Region	29,295	-	-	-	-	-	-	(RMB)	(RMB)	5,566,000

Note:

- The Group has entered into the State-owned Land Use Grant Contract for the above mentioned land parcel of property no. 5-1.
- We have attributed no commercial value to a parcel of land of property no. 5-1 in Group III as the State-owned Land Use Rights Certificate has not yet been obtained as at the valuation date. For reference purposes, we are of the opinion that the market value of this parcel of land as at the valuation date would be RMB5,566,000 (Equivalent to approximately HKD6,236,000).
- The exchange rate adopted in our valuation is HKD1=RMB0.8926 which was the middle rate published by the Bank of China as at the valuation date.
- We have been provided with a legal opinion regarding the property interests by the Company's PRC legal advisor, which contains, inter alia, the following:
 - The Group has entered into the State-owned Land Use Rights Grant Contract for the land parcel. According to the Company's description, the Group is currently in the process of coordinating the application for the State-owned Land Use Rights Certificate.

(A) RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

The circular includes particulars given in compliance with the Takeovers Code for the purpose of giving information with regard to the Group. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any of the statements in this circular misleading.

(B) SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date was, and upon completion of the issuance and allotment of the Specific Mandate Subscription Shares will be, as follows:

(a) As at the Latest Practicable Date:

<i>Authorised:</i>	<i>Aggregate nominal value (US\$)</i>
10,000,000,000 Shares of US\$0.00001 each	100,000
<i>Issued and fully paid:</i>	
4,191,977,833 Shares of US\$0.00001 each	41,919.77833

(b) Immediately following the issuance and allotment of the Specific Mandate Subscription Shares:

<i>Authorised:</i>	<i>Aggregate nominal value (US\$)</i>
10,000,000,000 Shares of US\$0.00001 each	100,000
<i>Issued and fully paid:</i>	
4,491,227,833 Shares of US\$0.00001 each	44,912.27833

All the Shares in issue are fully-paid and rank pari passu in all respects including all rights as to dividends, voting and return of capital.

Save for the Shares issued under the Placing and Top-up Subscription, the Company had not issued any Shares since December 31, 2025 (being the end of the last financial year of the Company) and up to the Latest Practicable Date.

No application is being made or is currently proposed or sought for the Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

The Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares as at the Latest Practicable Date.

(C) MARKET PRICES

The table below shows the closing price of the Shares on the Stock Exchange on (i) the last trading day of each of the six calendar months before the date of the Announcement and up to the Latest Practicable Date; (ii) the last full trading day before the release of the Announcement; and (iii) the Latest Practicable Date:

Date	Closing price per Share (HK\$)
July 31, 2025	3.70
August 29, 2025	3.88
September 30, 2025	3.30
October 31, 2025	3.24
November 28, 2025	4.36
December 31, 2025	5.08
January 15, 2026 (being the Last Trading Date before the Announcement)	4.30
January 30, 2026	4.45
February 27, 2026	5.05
March 31, 2026	3.86
April 27, 2026 (being the Latest Practicable Date)	3.74

The highest and lowest closing prices of the Shares recorded on the Stock Exchange during the Relevant Period were HK\$5.08 on December 31, 2025 and HK\$3.24 on October 31, 2025.

(D) DISCLOSURE OF INTERESTS**(I) Directors' and chief executive's interests and short positions in Shares, underlying Shares and debentures**

As at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have been taken under such provisions of the SFO); (ii) recorded in the register maintained by the Company pursuant to Section 352 of the SFO; (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of the Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules; or (iv) disclosed pursuant to the Takeovers Code.

(II) Substantial shareholders' and other persons' interests in the shares and underlying shares of the Company

As at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, shareholders who had interests or short positions in the shares or underlying shares of the Company of 5% or more which were recorded in the register to be kept by the Company under Section 336 of the SFO were as follows:

Name of Shareholder	Capacity	Long Position/ Short Position	Number of Shares	Approximate % of Issued Share Capital of the Company
Yili	Interest in controlled corporations	Long Position	1,320,800,000	31.51%
Boyuan	Beneficial interest	Long Position	800,000,000	19.08%
Pacific Alliance Group Limited	Interest in controlled corporation	Long Position	730,102,530	17.42%
PAG	Interest in controlled corporation	Long Position	730,102,530	17.42%
PAG Capital Limited	Interest in controlled corporation	Long Position	730,102,530	17.42%
PAG Dairy GP I Limited	Interest in controlled corporation	Long Position	730,102,530	17.42%
PAG Dairy I LP	Interest in controlled corporation	Long Position	730,102,530	17.42%
PAGAC Yogurt Holding II Limited	Beneficial interest	Long Position	730,102,530	17.42%
Shan Weijian	Interest in controlled corporation	Long Position	730,102,530	17.42%

Name of Shareholder	Capacity	Long Position/ Short Position	Number of Shares	Approximate % of Issued Share Capital of the Company
Jingang	Beneficial interest	Long Position	520,800,000	12.42%
Cloud Up Development Company Limited	Interest in controlled corporation	Long Position	472,482,819	11.27%
Hao Meirong	Interest in controlled corporations	Long Position	472,482,819	11.27%
Meadowland Investment Limited Partnership	Beneficial interest	Long Position	472,482,819	11.27%
Pasture Holding Limited	Interest in controlled corporations	Long Position	472,482,819	11.27%
Zhuhai Zhongxin Enterprise Management Partnership (Limited Partnership) (珠海眾心企業管理合夥企 業(有限合夥))	Interest in controlled corporations	Long Position	472,482,819	11.27%

Save for the Specific Mandate Subscription Shares or as otherwise disclosed above, as at the Latest Practicable Date, the Directors and chief executive of the Company were not aware of any other persons or companies who had any interest or short position in the shares or underlying shares of the Company that was required to be recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO, or which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

(E) DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, there were no subsisting service contracts between the Directors and the Company or any subsidiary or associated company of the Company which (a) (including continuous and fixed term contracts) had been entered into or amended within six months before the date of the Announcement; (b) are continuous contracts with a notice period of 12 months or more; (c) are fixed term contracts with more than 12 months to run irrespective of the notice period; or (d) are not determinable by the Group within one year without payment of compensation (other than statutory compensation).

(F) COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or their respective close associates had any interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

(G) MATERIAL CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material change in the financial or trading position of the Group since December 31, 2025, being the date to which the latest audited consolidated financial statements of the Group were made up.

(H) DIRECTORS' INTERESTS IN ASSETS, CONTRACTS OR ARRANGEMENTS

As at the Latest Practicable Date:

- (I) none of the Directors was materially interested, directly or indirectly, in any subsisting contract or arrangement, which was significant in relation to the business of the Group; and
- (II) none of the Directors had any direct or indirect interests in any assets which had been acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Group since 31 December 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up.

(I) ARRANGEMENTS IN CONNECTION WITH THE SPECIFIC MANDATE SUBSCRIPTION

As at the Latest Practicable Date:

- (I) other than the Specific Mandate Subscription Agreement, there was no agreement, arrangement or understanding (including any compensation agreement) existing between Boyuan or any person acting in concert with it and any Director, recent Directors, Shareholders or recent Shareholders having any connection with or dependence upon the Specific Mandate Subscription and/or the Whitewash Waiver;
- (II) there was no agreement, arrangement or understanding (including any compensation agreement) regarding any benefit to be given to any Director as compensation for loss of office or otherwise in connection with the Specific Mandate Subscription and/or the Whitewash Waiver;
- (III) there was no agreement, arrangement or understanding between any Director and any other person which is conditional on or dependent upon the outcome of, or otherwise connected with, the Specific Mandate Subscription and/or the Whitewash Waiver; and
- (IV) none of the Directors was materially interested in any material contract entered into by Boyuan.

(J) DISCLOSURE OF SHAREHOLDINGS AND DEALINGS PURSUANT TO THE TAKEOVERS CODE

As at the Latest Practicable Date, other than the holdings of Shares and the Specific Mandate Subscription Shares which are proposed to be subscribed for under the Specific Mandate Subscription as disclosed in the section headed “Effects on Shareholding Structure of the Company” in the letter from the Board, Boyuan confirms that:

- (I) none of the directors of Boyuan was interested (within the meaning of Part XV of the SFO) in any Shares or convertible securities, warrants, options or derivatives in respect of the Shares;
- (II) none of Boyuan or parties acting in concert with it owned, controlled or had direction over any Shares or any outstanding convertible securities, warrants, options and derivatives in respect of the Shares;
- (III) none of Boyuan or parties acting in concert with it has received any irrevocable commitment from any person as to whether they will vote for or against the resolutions approving the Specific Mandate Subscription and the Whitewash Waiver;
- (IV) save for the Specific Mandate Subscription, none of Boyuan or parties acting in concert with it had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with any person;
- (V) none of Boyuan or parties acting in concert with it has borrowed or lent any Shares or convertible securities, warrants, options and derivatives in respect of the Shares;
- (VI) the Specific Mandate Subscription does not involve any sale of Shares;
- (VII) other than the Placing and Top-up Subscription, none of Boyuan or parties acting in concert with it will make any acquisitions or disposals of voting rights in the Company which constitute disqualifying transactions (within the meaning of the Takeovers Code) in the period between the date of the Announcement and completion of the Specific Mandate Subscription;
- (VIII) there was no agreement, arrangement or understanding pursuant to which the Specific Mandate Subscription Shares would be transferred, charged or pledged to any other persons;
- (IX) save for the Specific Mandate Subscription, there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the Shares or shares of any of Boyuan and its concert parties and which might be material to the Specific Mandate Subscription and/or the Whitewash Waiver;

- (X) save for the Specific Mandate Subscription, there are no agreements or arrangements to which Boyuan is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a condition under the Specific Mandate Subscription and/or the Whitewash Waiver; and
- (XI) save for the Placing and Top-up Subscription and the Specific Mandate Subscription, there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between any Shareholder and (1) Boyuan and parties acting in concert with it, or (2) the Company, its subsidiaries or associated companies.

As at the Latest Practicable Date, the Company confirms that:

- (I) the Company did not own any shares of Boyuan or convertible securities, warrants, options and derivatives in respect of the shares of Boyuan;
- (II) none of the Directors had any interest (within the meaning of Part XV of the SFO) in the Shares or convertible securities, warrants, options and derivatives in respect of the Shares;
- (III) no Shares, convertible securities, warrants, options and derivatives in respect of the Shares were owned or controlled by any subsidiary of the Company or by a pension fund of any member of the Group or by a person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” (for the avoidance of doubt, except in the capacity of an exempt principal trader or exempt fund manager) or who is an associate of the Company by virtue of class (2) of the definition of “associate” (for the avoidance of doubt, except in the capacity of an exempt principal trader or exempt fund manager) under the Takeovers Code;
- (IV) save for the Placing and Top-up Subscription and the Specific Mandate Subscription, no person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert”, or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code;
- (V) no Shares or convertible securities, warrants, options and derivatives in respect of the Shares were managed on a discretionary basis by fund managers (other than exempt fund managers) connected with the Company;

- (VI) Mr. Bai Wenzhong and Ms. Li Lin have abstained from voting on the Board resolutions in relation to the Specific Mandate Subscription Agreement by reason of their respective positions in Yili, as a result of which they are deemed to have a material interest in the transaction. Save as disclosed above, none of the Directors had a material interest in the matters contemplated therein nor was any of them required to abstain from voting on the relevant Board resolutions approving the Specific Mandate Subscription Agreement and the transactions contemplated thereunder; and
- (VII) there were no Shares or convertible securities, warrants, options and derivatives in respect of the Shares which the Company or the Directors has/have borrowed or lent.

(K) DEALINGS IN SHARES

During the Relevant Period,

- (I) the Company, Boyuan, J.P. Morgan Securities (Asia Pacific) Limited and CLSA Limited have entered into a placing and subscription agreement dated January 16, 2026 for the placing and top-up subscription, pursuant to which Boyuan sold 299,250,000 Shares and subscribed for 299,250,000 Shares;
- (II) save for the Placing and Top-up Subscription and the Specific Mandate Subscription, neither Boyuan nor any of the parties acting in concert with it had dealt for value in any Shares, convertible securities, warrants, options and derivatives in respect of the Shares or had acquired or entered into any agreement or arrangement to acquire any voting rights in the Company;
- (III) none of the directors of Boyuan had dealt for value in any Shares, convertible securities, warrants, options and derivatives in respect of the Shares;
- (IV) there were no Shares or convertible securities, warrants, options and derivatives of the Company which Boyuan or the parties acting in concert with it, or the Directors have borrowed or lent;
- (V) the Company had not dealt for value in any shares of Boyuan or convertible securities, warrants, options and derivatives in respect of the shares of Boyuan; and
- (VI) none of the Directors had dealt for value in any shares of Boyuan or convertible securities, warrants, options and derivatives in respect of the shares of Boyuan or any Shares or convertible securities, warrants, options and derivatives in respect of the Shares.

(L) LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

(M) MATERIAL CONTRACTS

Set out below are the material contracts (not being contracts entered into in the ordinary course of business) entered into by any member of the Group within the two years immediately preceding the date of the Announcement and up to the Latest Practicable Date:

- (a) the placing and subscription agreement entered into between the Company, Boyuan, J.P. Morgan Securities (Asia Pacific) Limited and CLSA Limited dated January 16, 2026 in respect of the Placing and Top-up Subscription; and
- (b) the Specific Mandate Subscription Agreement.

Save as disclosed above, no contracts other than contracts in the ordinary course of business carried on or intended to be carried on by the members of the Group have been entered into by the members of the Group within the two years before the date of the Announcement and up to the Latest Practicable Date.

(N) EXPERT QUALIFICATIONS AND CONSENT

The following are the qualifications of the expert who has given its opinion and advice which are included in this circular:

NAME	QUALIFICATION
Rainbow Capital (HK) Limited	A licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	An independent professional valuer

As at the Latest Practicable Date, each of the above-mentioned experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter, advice or report in the form and context in which they are included and all references to its name in the form and context in which they appear.

As at the Latest Practicable Date, each of the above-mentioned experts was neither interested in the share capital of any member of the Group nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group nor did it have any interest, either direct or indirect, in any assets which have been, since December 31, 2025, the date to which the latest published audited consolidated financial statements of the Group were made up, acquired, disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

Each of J.P. Morgan Securities (Asia Pacific) Limited and CITIC Securities (Hong Kong) Limited, financial advisers to the Company in connection with the Specific Mandate Subscription, has given and has not withdrawn its written consent to the publication of its name in this circular in the form and context in which it appears.

(O) CORPORATE AND OTHER INFORMATION

The registered office of Boyuan is P.O. Box 472, Harbour Place, 2nd Floor, North Wing, 103 South Church Street, George Town, Grand Cayman, Cayman Islands KY1-1106. As at the Latest Practicable Date, the sole director of Boyuan is Mr. Zhang Yujun.

Boyuan is a wholly-owned subsidiary of Yili, a company whose shares are listed on the Shanghai Stock Exchange (stock code: 600887). As at the Latest Practicable Date, the directors of Yili are Mr. Pan Gang, Ms. Zhao Chengxia, Mr. Wang Xiaogang, Ms. Zhao Ying, Ms. Wang Yanfang, Mr. Gao Zhenyu, Mr. Lv Gang, Mr. Peng Heping, Ms. Ji Shao, Mr. Cai Yuanming and Ms. Shi Fang.

The registered office of J.P. Morgan Securities (Asia Pacific) Limited, financial adviser to the Company in connection with the Specific Mandate Subscription, is at 28th Floor, Chater House, 8 Connaught Road Central, Hong Kong.

The registered office of CITIC Securities (Hong Kong) Limited, financial adviser to the Company in connection with the Specific Mandate Subscription, is at 18/F, One Pacific Place, 88 Queensway, Hong Kong.

The registered office of Rainbow Capital (HK) Limited, the Independent Financial Adviser, is at No. 710, 7/F, Wing On House, 71 Des Voeux Road, Central, Hong Kong.

The registered office of Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent professional valuer, is at 7th Floor, One Taikoo Place, 979 King's Road, Hong Kong.

(P) DOCUMENTS ON DISPLAY

Copies of the following documents will be displayed on the websites of the Stock Exchange at www.hkexnews.hk, the SFC at www.sfc.hk and the Company at www.yourandairy.com from the date of this circular up to and including the date of the EGM:

1. the material contracts referred to in the paragraph headed “(M) Material Contracts” in this appendix;

2. this circular;
3. the memorandum and articles of association of the Company;
4. the memorandum and articles of association of Boyuan;
5. the published annual reports of the Company containing audited consolidated financial statements of the Company for each of the three years ended December 31, 2023, 2024 and 2025;
6. the letter from the Board, the text of which is set out in the section headed “Letter from the Board” in this circular;
7. the letter from the Takeovers Code Independent Board Committee, the text of which is set out in the section headed “Letter from the Takeovers Code Independent Board Committee” in this circular;
8. the letter from the Listing Rules Independent Board Committee, the text of which is set out in the section headed “Letter from the Listing Rules Independent Board Committee” in this circular;
9. the letter from the Independent Financial Adviser containing its advice to the Independent Board Committees and the Independent Shareholders, the text of which is set out in the section headed “Letter from the Independent Financial Adviser” in this circular;
10. the full property valuation report of the Group from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent professional valuer, a summary of which is set out in Appendix II to this circular; and
11. the written consents referred to in the paragraph headed “(N) Expert qualifications and consents” in this Appendix.

NOTICE OF EGM



優然牧業
YOURAN DAIRY

China Youran Dairy Group Limited
中國優然牧業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9858)

NOTICE OF EXTRAORDINARY GENERAL MEETING

Capitalised expressions which are not expressly defined in this notice shall bear the same meaning as those defined in the circular to the shareholders of the Company dated April 30, 2026 (the “**Circular**”), unless the context requires otherwise.

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of the Company will be held at No. 169, Hexi Road, Saihan District, Hohhot, Inner Mongolia on Friday, May 22, 2026 at 11:00 a.m. (or immediately after the annual general meeting of the Company to be held at 10:00 a.m. on the same day and at the same venue, whichever is later), to consider and, if thought fit, to pass with or without amendments the following resolutions as an ordinary resolution or special resolution (as the case may be) of the Company:

ORDINARY RESOLUTION

1. “**THAT:**

- (a) the Specific Mandate Subscription be and is hereby approved, confirmed and ratified;
- (b) the Directors be and are hereby granted a specific mandate to exercise all the powers of the Company to allot and issue the Specific Mandate Subscription Shares, subject to and in accordance with the terms and conditions set out in the Specific Mandate Subscription Agreement. This specific mandate so granted is in addition to, and shall not prejudice nor revoke any general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors by the shareholders of the Company at, before or after the passing of this resolution; and
- (c) any Director be and is hereby authorised to do all such acts and things and sign or execute all such documents under seal (as the case may be) and to take such steps as he/she considers necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to

NOTICE OF EGM

the Specific Mandate Subscription, including the issue and allotment of the Specific Mandate Subscription Shares and any matters relating or incidental thereto.”

SPECIAL RESOLUTION

2. “**THAT:**

the waiver of the obligation on the part of Boyuan to make a mandatory general offer for all the issued shares and other securities of the Company (other than those already owned or agreed to be acquired by Boyuan and parties acting in concert with it) which might otherwise arise as a result of Boyuan subscribing for the Specific Mandate Subscription Shares under the Specific Mandate Subscription Agreement, i.e. the Whitewash Waiver, be and is hereby approved, and that any Director be and is hereby authorised to do all such acts and things and sign or execute all such documents under seal (as the case may be) as he/she considers necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to any matters relating to, or incidental to, the Whitewash Waiver.”

By order of the Board
China Youran Dairy Group Limited
Hao Haijun
Chairman and Executive Director

Hohhot, April 30, 2026

Notes:

1. The register of members of the Company will be closed from Tuesday, May 19, 2026 to Friday, May 22, 2026, both days inclusive, during which period no transfer of Shares can be registered. The record date for ascertaining Shareholders’ eligibility to attend and vote at the EGM will be Friday, May 22, 2026. In order to qualify for the entitlement to attend and vote at the meeting, all transfer documents, accompanied by the relevant share certificates, must be duly completed and lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, May 18, 2026.
2. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint another person as his/her proxy to attend and vote in his/her stead. A member who is the holder of two or more Shares may appoint more than one proxy to attend and vote on his/her behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed. A proxy need not be a member of the Company, but must attend the meeting in person to represent you.
3. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited at the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for the holding of the EGM (i.e. at 11:00 a.m. on Wednesday, May 20, 2026) (Hong Kong time) or any adjourned meeting.
4. Completion and delivery of the form of proxy will not preclude a member from attending and voting in person at the EGM if the member so desires and in such event, the instrument appointing a proxy shall be deemed to be revoked.

NOTICE OF EGM

5. Where there are joint holders of any Share, any one of such persons may vote at any meeting, either in person or by proxy, in respect of such Share as if he was solely entitled thereto; but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
6. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Therefore, all resolution(s) proposed at the EGM shall be voted by poll.

As of the date of this notice, the Board comprises three (3) executive Directors, namely Mr. Hao Haijun, Mr. Dong Jiping and Ms. Meng Yilan; three (3) non-executive Directors, namely Mr. Bai Wenzhong, Ms. Li Lin and Mr. Xu Zhan Kevin; and three (3) independent non-executive Directors, namely Ms. Xie Xiaoyan, Mr. Yao Feng and Ms. Huang Lin.