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烟台北方安德利果汁股份有限公司

Yantai North Andre Juice Co., Ltd.*

(a joint stock limited company incorporated in the People's Republic of China)

(Stock code : 02218)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

RENEWAL OF THE PRESIDENT PRODUCT PURCHASE FRAMEWORK AGREEMENT WITH PRESIDENT

Reference is made to the announcement of the Company dated 13 December 2018 in relation to, among other things, the President Product Purchase Framework Agreement entered into between the Company and President on 13 December 2018.

As the President Product Purchase Framework Agreement will expire on 31 December 2019, the Company and President agreed to renew the transaction terms, and entered into the New President Product Purchase Framework Agreement on 6 November 2019, whereby President agreed to purchase and the Company agreed to supply the Company's products (including but not limited to different kinds of concentrated juice) and provide the warehousing and other services relating to purchase to subsidiaries of President, to regulate such product purchase between the Group and President for the period commencing on 1 January 2020 and expiring on 31 December 2021.

RENEWAL OF THE TON YI PRODUCT PURCHASE FRAMEWORK AGREEMENT WITH TON YI

Reference is made to the announcement of the Company dated 13 December 2018 in relation to, among other things, the Ton Yi Product Purchase Framework Agreement entered into between the Company and Ton Yi on 13 December 2018.

As the Ton Yi Product Purchase Framework Agreement will expire on 31 December 2019, the Company and Ton Yi agreed to renew the transaction terms, and entered into the New Ton Yi Product Purchase Framework Agreement on 6 November 2019, whereby Ton Yi agreed to purchase and the Company agreed to supply the Company's products (including but not limited to different kinds of concentrated juice) and provide the warehousing and other services relating to purchase to subsidiaries of Ton Yi, to regulate such product purchase between the Group and Ton Yi for the period commencing on 1 January 2020 and expiring on 31 December 2021.

* *For identification purpose only*

LISTING RULES IMPLICATIONS

As at the date of this announcement, both President and Ton Yi are non-wholly owned subsidiaries of Uni-President Enterprises Corp., a Shareholder of the Company. President, through its two wholly-owned subsidiaries, Chengdu President Enterprises Food Co., Ltd.* (成都統一企業食品有限公司) and Guangzhou President Enterprises Corp.* (廣州統一企業有限公司), holds 63,746,040 domestic shares of the Company, representing approximately 17.81% of the total issued share capital of the Company, and 237,000 H shares of the Company, representing approximately 0.07% of the total issued share capital of the Company. President and Ton Yi are connected persons of the Company under the Listing Rules. Therefore, the transactions under the President Product Purchase Framework Agreement between the Group and President and the transactions under the Ton Yi Product Purchase Framework Agreement between the Group and Ton Yi constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratio (other than the profit ratio) for the proposed annual cap under the New President Product Purchase Framework Agreement and the New Ton Yi Product Purchase Framework Agreement, respectively, is more than 0.1% but less than 5%, in accordance with requirements of the Listing Rules, the continuing connected transactions under the New President Product Purchase Framework Agreement between the Company and President, and the New Ton Yi Product Purchase Framework Agreement between the Company and Ton Yi are each only subject to the reporting and announcement requirements under the Listing Rules and are exempted from the independent Shareholders' approval requirement.

I. RENEWAL OF THE PRESIDENT PRODUCT PURCHASE FRAMEWORK AGREEMENT

Background

Reference is made to the announcement of the Company dated 13 December 2018 in relation to, among other things, the President Product Purchase Framework Agreement entered into between the Company and President on 13 December 2018.

As the President Product Purchase Framework Agreement will expire on 31 December 2019, the Company and President agreed to renew the transaction terms, and entered into the New President Product Purchase Framework Agreement on 6 November 2019, whereby President agreed to purchase and the Company agreed to supply the Company's products (including but not limited to different kinds of concentrated juice) and the Company agreed to provide the warehousing and other services relating to the purchase to subsidiaries of President, to regulate such product purchase between the Group and President for the period commencing on 1 January 2020 and expiring on 31 December 2021.

New President Product Purchase Framework Agreement

Date

6 November 2019

Parties

- (i) President (as purchaser); and
- (ii) the Company (as supplier)

Product Supply

Products to be supplied by the Group to President shall include but not limited to different kinds of concentrated juice, such as concentrated apple juice and concentrated pear juice. The Group will also provide warehousing and other services relating to the purchase to President.

The Group agreed to sell its products to President as first priority in the event that the purchase terms are the same as those of third parties (including but not limited to quantity, price and quality).

The Group agreed not to sell the products to President on terms or conditions less favourable than those offered to third parties for any transactions relating to the sales of products between the Group and President. The Group and President agreed that the entering into of the New President Product Purchase Framework Agreement would not affect the selection of trading partners and conduct of transactions with third parties of the Group and President. President is entitled to purchase products from any third parties if a third party can sell the same or similar products at a more favourable price than the price available under the New President Product Purchase Framework Agreement.

In respect of all transactions contemplated under the New President Product Purchase Framework Agreement for the sales of products, both parties may, within the scope of the New President Product Purchase Framework Agreement, enter into specific product supply contract, provided that the terms of the specific product supply contract shall not contravene those of the New President Product Purchase Framework Agreement.

Term

Commencing on 1 January 2020 and expiring on 31 December 2021.

Pricing Policy

Prices of products to be supplied by the Company shall be determined according to the bidding principle by reference to the market price.

Upon receipt of a sales order of the products, the sales department of the Company and its designated persons are mainly responsible for reviewing the prices offered by other independent third parties, generally by way of, (i) referring to the comparable transactions (if any) in relation to supplying such products to independent third parties by the Company during the same period; (ii) obtaining quotations from at least two independent third parties via emails, fax or phone or obtaining quotations from at least two independent third parties by publishing tender notice via various media resources (for instance, the local newspapers); or (iii) obtaining market prices from various independent industry information vendors such as industry websites and participating in activities or meetings organised by industry organisations to determine the market price. The sales department of the Company is responsible for proposing the price, which will be reviewed by the head in charge of the sales department and subject to the final approval by the president office to ensure that the price is fair and reasonable and determined on normal commercial terms.

The sales department of the Company will update the relevant information from time to time according to President's procurement demand and will continue to monitor the market price to ensure that each transaction is conducted in accordance with the pricing policy set out above.

Accordingly, the Directors believe that the above methods and procedures can ensure that the relevant continuing connected transactions are conducted in accordance with the terms (including the pricing policy) provided under the New President Product Purchase Framework Agreement and such transactions will be conducted on normal commercial terms and in the interest of the Company and its Shareholders as a whole.

Historical Figures

The historical amounts of the products supplied by the Group to President are as follows:

	Year ended 31 December 2017	Year ended 31 December 2018	Six months ended 30 June 2019
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Actual amounts of products sold by the Group to President and warehousing fees	13.44	9.15	6.12

Proposed Annual Cap

The Board proposes to set the proposed annual cap of the products sold to President for the period commencing on 1 January 2020 and expiring on 31 December 2021 as RMB21,000,000, mainly based on the following factors:

- (i) the historical transaction amounts with President for the sales of products; and
- (ii) the expectation that the prevailing market prices for the sales of the Company's products will remain stable.

II. RENEWAL OF THE TON YI PRODUCT PURCHASE FRAMEWORK AGREEMENT

Background

Reference is made to the announcement of the Company dated 13 December 2018 in relation to, among other things, the Ton Yi Product Purchase Framework Agreement entered into between the Company and Ton Yi on 13 December 2018.

As the Ton Yi Product Purchase Framework Agreement will expire on 31 December 2019, the Company and Ton Yi agreed to renew the transaction terms, and entered into the New Ton Yi Product Purchase Framework Agreement on 6 November 2019, whereby Ton Yi agreed to purchase and the Company agreed to supply the Company's products (including but not limited to different kinds of concentrated juice) and the Company agreed to provide the warehousing and other services relating to purchase to subsidiaries of Ton Yi, to regulate such product purchase between the Group and Ton Yi for the period commencing on 1 January 2020 and expiring on 31 December 2021.

New Ton Yi Product Purchase Framework Agreement

Date

6 November 2019

Parties

- (i) Ton Yi (as purchaser); and
- (ii) the Company (as supplier)

Product Supply

Products to be supplied by the Group to Ton Yi shall include but not limited to different kinds of concentrated juice, such as concentrated apple juice and concentrated pear juice. The Group will also provide warehousing service relating to the product purchase to Ton Yi.

The Group agreed to sell its products to Ton Yi as first priority in the event that the purchase terms are the same as those of third parties (including but not limited to quantity, price and quality).

The Group agreed not to sell the products to Ton Yi on terms or conditions less favourable than those offered to third parties for any transactions relating to the sales of products between the Group and Ton Yi.

The Group and Ton Yi agreed that the entering into of the New Ton Yi Product Purchase Framework Agreement would not affect the selection of trading partners and conduct of transactions with third parties of the Group and Ton Yi. Ton Yi is entitled to purchase products from any third parties if the third party can sell the same or similar products at a more favourable price than the price available under the New Ton Yi Product Purchase Framework Agreement.

In respect of all transactions contemplated under the New Ton Yi Product Purchase Framework Agreement for the sales of products, both parties may, within the scope of the New Ton Yi Product Purchase Framework Agreement, enter into specific product supply contract, provided that the terms of the specific product supply contract shall not contravene those of the New Ton Yi Product Purchase Framework Agreement.

Term

Commencing on 1 January 2020 and expiring on 31 December 2021.

Pricing Policy

Prices of the products to be supplied by the Company shall be determined according to the bidding principle by reference to the market price.

Upon receipt of a sales order of the products, the sales department of the Company and its designated persons are mainly responsible for reviewing the prices offered by other independent third parties, generally by way of, (i) referring to the comparable transactions (if any) in relation to supplying such products to independent third parties by the Company during the same period; (ii) obtaining quotations from at least two independent third parties via emails, fax or phone or obtaining quotations from other independent parties by publishing tender notice via various media resources (for instance, the local newspapers); or (iii) obtaining market prices from various independent industry information vendors such as industry websites and participating in

activities or meetings organised by industry organisations to determine the market price. The sales department of the Company is responsible for proposing the price, which will be reviewed by the head in charge of the sales department and subject to the final approval by the president office to ensure that the price is fair and reasonable and determined on normal commercial terms.

The sales department of the Company will update the relevant information from time to time according to Ton Yi’s procurement demand and will continue to monitor the market price to ensure that each transaction is conducted in accordance with the pricing policy set out above.

Accordingly, the Directors believe that the above methods and procedures can ensure that the relevant continuing connected transactions are conducted in accordance with the terms (including the pricing policy) provided under the New Ton Yi Product Purchase Framework Agreement and such transactions will be conducted on normal commercial terms and in the interest of the Company and Shareholders as a whole.

Historical Figures

The historical amounts of the products supplied by the Group to Ton Yi are as follows:

	Year ended 31 December 2018 <i>RMB million</i>	Six months ended 30 June 2019 <i>RMB million</i>
Actual amounts of products sold by the Group to Ton Yi and warehousing fees	5.14	3.48

The Board proposes to set the proposed annual cap of the products sold to Ton Yi for the period commencing on 1 January 2020 and expiring on 31 December 2021 as RMB21,000,000, mainly based on to the following factors:

- (i) the historical transaction amounts with Ton Yi for the sales of products; and
- (ii) the expectation that the prevailing market prices for the sales of the Company’s products will remain stable.

III. REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

The demand for the Company’s products of both President and Ton Yi separately has maintained at a high level due to the continued development and commitment of relevant products by President and Ton Yi. At the same time, the Company has sufficient production capacity and raw materials for production to satisfy the increasing demand of President and Ton

Yi, respectively. The supply of the Company's products to President and Ton Yi in the PRC can lower the freight costs as well as the exchange risks as compared to sales of the same products overseas. Supplying products to such renowned beverage manufactures in the PRC as President and Ton Yi is conducive to maintaining close and stable business relationships therewith, which may in turn expand the Company's share in the domestic markets. Therefore, the Directors are of the opinion that the entering into of the New President Product Purchase Framework Agreement and New Ton Yi Product Purchase Framework Agreement is beneficial to raising the proportion of domestic sales of the Company's juice products as well as product diversification, which will in turn increase the revenue and profits of the Company. For the same reasons, the Company is of the view that it is in the best interest of the Company and the Shareholders as a whole to give first priority to the relevant purchases by President and Ton Yi in the event that the purchase terms are the same as those of third parties.

The Board (including independent non-executive Directors) considers that the transactions contemplated under the New President Product Purchase Framework Agreement and the New Ton Yi Product Purchase Framework Agreement (including the respective annual caps) are entered in the usual and ordinary course of business of the Company, and the terms of which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Mr. Liu Tsung-Yi, a Director, may be deemed to be materially interested in the transactions under the New President Product Purchase Framework Agreement and the New Ton Yi Product Purchase Framework Agreement due to his management position in (but not being hired by) Uni-President Enterprises Corp., the parent company of President and Ton Yi. Therefore, he has abstained from voting on the board resolution approving the New President Product Purchase Framework Agreement and the New Ton Yi Product Purchase Framework Agreement. Save as mentioned above, none of the Directors has material interest in the transactions and hence no other Director has abstained from voting on such board resolution.

IV. LISTING RULES IMPLICATIONS

As at the date of this announcement, both President and Ton Yi are non-wholly owned subsidiaries of Uni-President Enterprises Corp., a Shareholder of the Company. President, through its two wholly owned subsidiaries, Chengdu President Enterprises Food Co., Ltd.* (成都統一企業食品有限公司) and Guangzhou President Enterprises Corp.* (廣州統一企業有限公司), holds 63,746,040 domestic shares of the Company, representing approximately 17.81% of the total issued share capital of the Company, and 237,000 H shares of the Company, representing approximately 0.07% of the total issued share capital of the Company. President and Ton Yi are connected persons of the Company under the Listing Rules. Therefore, the transactions under the New President Product Purchase Framework Agreement between the Group and President and the transactions under the New Ton Yi Product Purchase Framework Agreement between the Group and Ton Yi constitute continuing connected transactions of the Company.

Since the highest applicable percentage ratio (other than the profit ratio) for the proposed annual cap under the New President Product Purchase Framework Agreement and the New Ton Yi Product Purchase Framework Agreement, respectively, is more than 0.1% but less than 5%, in accordance with requirements of the Listing Rules, the continuing connected transactions under the New President Product Purchase Framework Agreement with President and the New Ton Yi Product Purchase Framework Agreement with Ton Yi are each only subject to the reporting and announcement requirements under the Listing Rules and are exempted from the independent Shareholders' approval requirement.

V. GENERAL INFORMATION

The Company is mainly engaged in the businesses of (i) the production and sale of various virgin pulp juice, fruit and vegetable juice, compound fruit and vegetable juice, edible fruit and vegetable essence and food flavouring; (ii) processing and sale of iron packaging products; (iii) biological and comprehensive utilization of pomace; (iv) wholesale, import and export of various virgin pulp juice, fruit and vegetable juice, compound fruit and vegetable juice, fruit pulps, edible fruit and vegetable essence and food flavouring; and (v) lease of proprietary premises.

President is a limited liability company established under the PRC laws and is principally engaged in the production and sales of different kinds of beverages, a variety of food that uses flour as raw material, such as instant noodles, dairy products, processed meat products, seasoning and food sauces, biscuits and pastries, as well as other ancillary food and beverage products.

Ton Yi is a limited liability company established under the PRC laws which principally carries out: (i) investment business in sectors open to foreign investments in compliance with the laws; (ii) undertaking of outsourcing services of its parent company and affiliated companies; and (iii) export of domestic products through agency, distribution, or setting up an export purchase organisation (including an internal organisation), and associated tax refund application in compliance with the regulatory requirements.

VI. DEFINITIONS

Unless the context otherwise requires, capitalized terms used in this announcement shall have the following meanings:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors

“Company”	Yantai North Andre Juice Co., Ltd.*(烟台北方安德利果汁股份有限公司), a joint stock limited company incorporated in the PRC with limited liability and whose H shares were initially listed on the Growth Enterprise Market of the Stock Exchange on 22 April 2003 and have since been listed on the Main Board of the Stock Exchange from 19 January 2011 by way of transfer of listing from the Growth Enterprise Market of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“New President Product Purchase Framework Agreement”	the product purchase framework agreement dated 6 November 2019 entered into between the Company and President, pursuant to which, President agreed to purchase and the Company agreed to supply the Company’s products (including, but not limited to, different kinds of concentrated juice), to regulate the product purchase between the Group and President for the period commencing on 1 January 2020 and expiring on 31 December 2021
“New Ton Yi Product Purchase Framework Agreement”	the product purchase framework agreement dated 6 November 2019 entered into between the Company and Ton Yi, pursuant to which, Ton Yi agreed to purchase and the Company agreed to supply the Company’s products (including, but not limited to, different kinds of concentrated juice), to regulate the product purchase between the Group and Ton Yi for the period commencing on 1 January 2020 and expiring on 31 December 2021
“PRC”	the People’s Republic of China

“President”	President Enterprises (China) Investment Co., Ltd.* (統一企業(中國)投資有限公司), a limited liability company established in the PRC. As at the date of this announcement, President is a subsidiary of Uni-President Enterprises Corp., a Shareholder of the Company, and indirectly holds 63,746,040 domestic shares of the Company
“President Product Purchase Framework Agreement”	the product purchase framework agreement dated 13 December 2018 entered into between the Company and President, pursuant to which, President agreed to purchase and the Company agreed to supply the Company’s products (including, but not limited to, different kinds of concentrated juice), to regulate the product purchase between the Group and President for the period commencing on 1 January 2019 and expiring on 31 December 2019
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Ton Yi”	Ton Yi (China) Investment Co., Ltd.* (統實(中國)投資有限公司), a limited liability company established in the PRC. As at the date of this announcement, Ton Yi is a wholly-owned subsidiary of Uni-President Enterprises Corp., a Shareholder of the Company
“Ton Yi Product Purchase Framework Agreement”	the product purchase framework agreement dated 13 December 2018 entered into between the Company and Ton Yi, pursuant to which, Ton Yi agreed to purchase and the Company agreed to supply the Company’s products (including, but not limited to, different kinds of concentrated juice), to regulate the product purchase between the Group and Ton Yi for the period commencing on 1 January 2019 and expiring on 31 December 2019

“%”

per cent

By order of the Board
Yantai North Andre Juice Co., Ltd.*
Wang An
Chairman

Yantai, the PRC, 6 November 2019

As at the date hereof, the Board comprises:

Mr. Wang An (*Executive Director*)

Mr. Zhang Hui (*Executive Director*)

Mr. Wang Yan Hui (*Executive Director*)

Mr. Liu Tsung-Yi (*Non-executive Director*)

Mr. Jiang Hong Qi (*Independent non-executive Director*)

Mr. Li Wei (*Independent non-executive Director*)

Mr. Li Yao (*Independent non-executive Director*)

* *For identification purpose only*