

Yantai North Andre Juice Co., Ltd.

Rules of Procedure of the Board of Supervisors

Chapter 1 General Provisions

Article 1 In order to further standardize the methods for conducting business and voting procedures of the Board of Supervisors in Yantai North Andre Juice Co., Ltd. (hereinafter referred to as the “Company”) so as to prompt supervisors and the Board of Supervisors to effectively fulfill their oversight responsibilities, to improve the corporate governance structure, the Rules is formulated pursuant to the *Company Law of the People’s Republic of China* (hereinafter referred to as the “*Company Law*”), the *Securities Law of the People’s Republic of China* (hereinafter referred to as the “*Securities Law*”), the *Code of Corporate Governance for Listed Companies*, and other laws, regulations, normative documents and the *Articles of Association of Yantai North Andre Juice Co., Ltd.* (hereinafter referred to as the “*Articles of Association*”), and referring to the listing rules of listing places.

Article 2 The Board of Supervisors is legally established by the Company as the supervisory organization, responsible for the Shareholders’ Meeting and giving reports of their work.

Article 3 The Board of Supervisors shall set up an office of the Board of Supervisors dealing with its daily affairs.

The chairman of the Board of Supervisors is also in charge of the head of this office, safeguarding its seal. The chairman of the Board of Supervisors can require the representatives of securities affairs or other person to assist him to deal with the daily affairs of the Board of the Supervisors.

Article 4 The legitimacy of the Company’s business activities, corporate finance, and acts of directors, president and other senior management personnel while performing their duties shall be supervised by the Board of Supervisors who shall be responsible for all shareholders, and shall be honest and diligent.

Article 5 The supervisors of the Company shall comply with laws, regulations, the *Articles of Association*, and the Rules, conscientiously fulfilling their oversight responsibilities to safeguard the rights and interests of the Company and its shareholders.

Article 6 The supervisors of the Company shall be devoted to their duties, keep secrets of the Company and shall not use his position to seek profits for themselves or others.

Chapter 2 Functions and Powers of the Board of Supervisors

Article 7 The Board of Supervisors shall exercise the following functions and powers:

- (1) Check the financial information, such as financial statements, business reports, profit distribution plans intended to submit to the Shareholders’ Meeting by the Board of Directors. Once found anything doubtful, the Board of Supervisors may, in the name of the Company, entrust a certified public accountant and practicing auditors to recheck;
- (2) Check the Company finance;
- (3) Supervise the acts of the directors and senior management personnel in respect of the performance of their duties assigned by the Company, and put forward proposals for removal of the directors and senior management personnel who violate laws, administrative regulations, the Articles of Association or the resolutions to the Shareholders’ Meeting;
- (4) Require the directors and senior management personnel to correct when their behavior is

damaging the Company's interests, if necessary, report to the Shareholders' Meeting or the national relevant governing authority;

(5) Propose to convene an Interim Shareholders' Meeting when the Board of Directors does not fulfill its duties specified in the *Company Law* to convene and preside over Shareholders' Meeting;

(6) Submit proposals to the Shareholders' Meeting;

(7) Proceed against the directors and senior management personnel in accordance with the provisions of Article 151 of the *Company Law*;

(8) Conduct an investigation when discovering something unusual in the operation of the Company; if necessary, engage an accounting firm, a law firm and other professional organizations to assist in the work, the expenses entailed shall be paid by the Company;

(9) Examine and verify the Company's periodic reports prepared by the Board of Directors, and submit a written audit opinion; and

(10) Other functions and powers regulated by the Articles of Association.

Article 8 The Board of Supervisors may propose to convene an interim meeting of the Board of Directors, and may put forward questions or suggestions on the decision items of the Board of Directors.

Article 9 Based on the unanimous vote of all the supervisors, the Board of Supervisors is entitled to suggest the Shareholders' Meeting to change directors or propose to dismiss the president or other senior management personnel to the Board of Directors for the violations and material misconduct of directors, president and other senior management personnel.

Article 10 The Board of Supervisors may require directors, president and other senior management personnel of the Company, internal and external auditors to attend the meetings of the Board of Supervisors to answer some questions concerned.

Article 11 The supervisory records of directors, president and other senior management personnel and the results of financial or special inspection shall be an important basis for the performance evaluation of directors, president and other senior management personnel.

Article 12 When performing its supervisory duties, the Board of Supervisors may report the illegal and non-compliant matters of the Company's finance and the violation of laws, regulations or the *Articles of Association* committed by directors, president and other senior management personnel to the Board of Directors, Shareholders' Meeting, or directly report to the securities regulatory authorities and other relevant departments as well.

Article 13 When performing its functions and powers, the Board of Supervisors shall adhere to be practical and realistic and shall abide by provisions of laws, administrative regulations and the *Articles of Association* to faithfully fulfill its supervisory duties and the obligation of good faith and diligence so as to maintain and protect the legitimate interests of shareholders and the Company from damaging. Supervisors shall not take advantage of their authority and influence for personal gain, shall not disclose the Company's trade secrets and other secrets about production, operation and management of the Company.

Chapter 3 Functions and Powers of the Chairman of the Board of Supervisors

Article 14 The Board of Supervisors shall have one chairman who shall be elected by more than half members of the supervisors. The chairman of the Board of Supervisors, as the convener of the Board of Supervisors, shall convene and preside over the meeting of the Board of Supervisors.

Article 15 The chairman of the Board of Supervisors shall exercise the following functions and powers:

- (1) Convene and preside over the meeting of the Board of Supervisors, and check the implementation of the resolutions of the Board of Supervisors;
- (2) Report the work of the Board of Supervisors to the Shareholders' Meeting on behalf of the Board of Supervisors;
- (3) Organize and formulate the implementation of the work plan of the Board of Supervisors and the matters decided by the Board of Supervisors;
- (4) Attend or entrust other supervisors to attend the Board of Directors;
- (5) Deal with the litigation on behalf of the Company if there is litigation between directors or the president and the Company; and
- (6) Handle other work of the Board of Supervisors.

Article 16 Where the chairman of the Board of Supervisors cannot perform his/her functions, or fails to do so, a supervisor jointly elected by more than half members of the supervisors shall perform the functions.

Chapter 4 Procedures of Convening and Notification of the Meeting of the Board of Supervisors

Article 17 The meeting of the Board of Supervisors is divided into regular meeting and interim meeting. The Board of Supervisors shall convene at least a meeting every 6 months. The Board of Supervisors shall convene an interim meeting within 10 days, in one of the following cases:

- (1) Where any supervisor proposes to convene a meeting;
- (2) Where the Shareholders' Meeting and the meeting of the Board of Directors have adopted resolutions which violate various provisions and requirements of laws, regulations, rules and regulatory authorities, the *Articles of Association*, resolutions of the Shareholders' Meeting of the Company and other relevant provisions;
- (3) Where the misconduct of directors and senior management personnel may cause serious damage to the Company or may cause baneful influence on the market;
- (4) Where the Company, directors, supervisors or senior management personnel are instituted legal proceedings by shareholders;
- (5) Where the Company, directors, supervisors or senior management personnel are punished by securities regulatory authorities or condemned publicly by the stock exchange;
- (6) Where entitled departments request to convene a meeting; and
- (7) Other situations regulated in the *Articles of Association*.

Article 18 Before issuing the notification of convening a regular meeting of the Board of Supervisors, the office of the Board of Supervisors shall collect meeting proposals from all the supervisors, and ask for opinions from employees of the Company for at least 2 days. When collecting proposals and opinions, the office of the Board of Supervisors shall state that the Board of Supervisors emphasizes on standard operation of the Company and supervising on the acts of directors and senior management personnel, rather than making decisions concerning the Company management.

Article 19 When a supervisor proposes to convene an interim meeting of the Board of Supervisors, he/she shall submit a written proposal signed by him/her to the office of the Board of Supervisors or the chairman of the Board of Supervisors directly. The written proposal shall state the following

items:

- (1) The name of the proposed supervisor;
- (2) The reasons or objective reasons for the proposal;
- (3) The date or time limit, place and manner of the proposed meeting;
- (4) The explicit and specific proposal; and
- (5) The contact information of the proposed supervisor and the date of the proposal, etc.

Within 3 days after the chairman of the Board of Supervisors received the written proposal from directors, the Board of Supervisors shall issue a notification of convening an interim meeting of the Board of Supervisors.

If the Board of Supervisors is delayed in issuing the notification of the meeting, the proposed supervisor shall report to regulatory authorities in time.

Article 20 The chairman of the Board of Supervisors convenes and presides over the meeting of the Board of Supervisors; if the chairman of the Board of Supervisors cannot perform such functions or fails to do so, a supervisor jointly elected by more than half members of the supervisors shall convene and preside over the meeting.

Article 21 Where regular meeting and interim meeting of the Board of Supervisors is to be convened, the Company shall send written notification with the seal of the Board of Supervisors 10 days and 15 days ahead of time respectively to all the supervisors via direct service, fax, E-mail or other ways. If not send directly, the reception of the notification shall be confirmed via the telephone and recorded correspondingly by the Company.

In emergency, if it needs to convene an interim meeting of the Board of Supervisors as soon as possible, the notification may be issued by verbal means or phones, etc. at any time, but the convener shall explain the reasons at the meeting.

Article 22 The written notification of the meeting of the Board of Supervisors shall include at least the following items:

- (1) The date, place and deadline of the meeting;
- (2) Matters intending for consideration (meeting proposals);
- (3) The convener and the moderator of the meeting, the proposer of the interim meeting and his/her written proposal;
- (4) Essential conference materials for supervisors to vote;
- (5) Requirement that supervisors shall attend the meeting personally;
- (6) Contact person and contact information; and
- (7) The date of sending out the notification.

A verbal meeting notification shall include at least paragraphs (1), (2) above and the explanation of convening an interim meeting of the Board of Supervisors as soon as possible in emergency.

Article 23 A meeting of the Board of Supervisors may be held only if more than half members of the supervisors attend the meeting. If some relevant supervisors refuse to attend or delay to attend the meeting, leading to the number of participants failing to meet the minimum number of participants required for convening a meeting, other supervisors shall report to entitled authorities in time.

The secretary of the Board of Directors and the representatives of securities affairs shall attend the meeting of the Board of Supervisors.

Article 24 The moderator shall request supervisors present to deliver their explicit opinions on the proposals.

The moderator shall require directors, senior management personnel, and other employees of the Company or relevant business personnel of intermediary organizations to attend the meeting to be questioned, in accordance with the proposal of the supervisor.

Article 25 The main scope of the matters for consideration of the Board of Supervisors:

- (1) Discuss the items decided at the last meeting of the Board of Directors and the Shareholders' Meeting;
- (2) Discuss the implementation of the matters decided at the last meeting of the Board of Supervisors;
- (3) Check the final finance settlement of the Company management during report period and raise opinions or proposals from the view of supervision;
- (4) Raise proposals on the decisions of the Board of Directors on significant venture capital, mortgage and guarantee, etc.;
- (5) Examine the establishment and implementation of internal control system of the Company and raise proposals;
- (6) Put forward rectification opinions on behavior of directors of the Company, president and other senior management personnel who violate the laws, regulations and the *Articles of Association* and damage the rights and interests of the shareholders and the Company while performing their duties;
- (7) Discuss work reports, work plans and work summaries of the Board of Supervisors;
- (8) Discuss the general election and resign of the supervisors and submit a list of new supervisors recommended by discussion or supplementary list to the Shareholders' Meeting;
- (9) Discuss the matters proposed by the Board of Directors or supervisors, and other issues related to the rights and interests of shareholders and the development of the Company; and
- (10) Discuss other matters regulated by laws, regulations or the *Articles of Association*, and authorized by the Shareholders' Meeting.

Article 26 Meetings of the Board of Supervisors shall be held on site in principle, while an interim meeting of the Board of Supervisors may be held through communication voting, promising that supervisors may fully express their opinions.

Communication voting refers that supervisors perform their right of vote on the matters for consideration submitted to meetings by the Board of Supervisors via communication, fax, E-mail and other specified information transfer means, but not at an on-site meeting.

The enforcement details of communication voting is as follows: In case convening meetings of the Board of Supervisors in the form of communication, the meeting notification shall state clearly: (1) informing the supervisors that the meeting of the Board of Supervisors will be held through communication voting; (2) fully disclosing details about the matters for consideration; (3) sending standard format of the votes to supervisors and requiring them to use by copying; (4) the means of service, address and deadline of the votes filled in by supervisors; (5) other matters that supervisors need be informed of. The format of votes may be made by the secretary of the Board of Directors.

When voting in the form of communication, supervisors may not entrust other supervisors to attend the meeting for them. Supervisors must choose one of the voting opinions as consent, opposition or waiver, and sign on the final conference resolution summarized after the meeting for confirmation.

Votes signed by supervisors and their deliberations shall be sent to the chairman of the Board of

Supervisors of the Company, other supervisors convening the meeting of the Board of Supervisors or the secretary of the Board of Directors and other designated personnel, through mails, fax or specially-assigned person etc. before the deadline specified in the meeting notification. If the files above are non-original, the original shall be as soon as possible sent to the Company to be archived.

If the votes are sent by a specially-assigned person, the receiver shall sign (or seal) on the delivery receipt, and the date of receipt is the date of service; if sent by mails, the 10th workday since the date of delivery to the post office is the date of service; if sent by fax, the date of delivery is the date of service.

If supervisors did not send the votes in accordance with the manner, deadline and address specified in the meeting notification, they may be considered as absent from the meeting for reasons.

The chairman of the Board of Supervisors, other supervisors convening the meeting of the Board of Supervisors or the secretary of the Board of Directors and other designated personnel shall, in accordance with provisions of the *Articles of Association* and the Rules, based on the voting result completely keep the meeting minutes and form the resolutions of the meeting after summarizing.

The resolutions and minutes of the meeting shall first be signed by the chairman of the Board of Supervisors or other supervisors convening the meeting of the Board of Supervisors for confirmation, and then be sent to the supervisors present at the meeting in time to be confirmed and signed.

Article 27 In emergency, if a meeting of the Board of Supervisors shall be held as soon as possible, the Board of Supervisors may form resolutions through transferring and signing on the resolutions of the Board of Supervisors. Implementing rules are as follows:

When meetings of the Board of Supervisors are held through transferring and signing on written resolutions, draft resolution and related proposals, descriptive documents and other relevant documents shall be sent by a specially-assigned person, mail, or fax to every supervisor in sequence. If the number of supervisors who signed on the draft resolution of the Board of Supervisors has reached the quorum for working out resolutions, and the draft resolution is delivered in the manner above in this article to the chairman of the Board of Supervisors or other supervisors responsible for convening meetings of the Board of Supervisors, the draft resolution will become the resolution of the Board of Supervisors, thus it is unnecessary to convene a meeting of the Board of Supervisors again.

After working out the resolutions through voting by transferring and signing on written resolutions, the chairman of the Board of Supervisors or other supervisors responsible for convening meetings of the Board of Supervisors shall inform all supervisors of the resolutions in written form in time.

The chairman of the Board of Supervisors, other supervisors convening the meetings of the Board of Supervisors or the secretary of the Board of Directors and other designated personnel shall, in accordance with the resolutions signed by supervisors, keep meeting minutes which shall first be signed by the chairman of the Board of Supervisors or other supervisors convening the meetings of the Board of Supervisors for confirmation, and then be sent to sign by each supervisor.

Article 28 Meetings of the Board of Supervisors shall be held in accordance with the agenda listed in the written notification of convening a meeting. As for the issues outside the agenda, may be listed in the agenda after being agreed by more than half members of the supervisors present.

Article 29 Supervisors shall attend meetings of the Board of Supervisors in person, whereas,

supervisors may entrust in written form other supervisors to attend the meeting and vote, if there are some reasons for their absence.

A power of attorney of a supervisor who entrusts another supervisor to attend a meeting shall specify the name of the proxy, proxy matters, permissions, and valid period, and shall be signed by the principal. The supervisor entrusted shall perform his/her right of supervision within the scope of authority.

If a supervisor neither attended the meeting of the Board of Supervisors nor entrusted a delegate to attend, he/she may be deemed to give up his/her voting rights at this meeting.

Article 30 At the meeting of the Board of Supervisors, if some significant issues in question are still not clear, the chairman of the Board of Supervisors may postpone the vote, after soliciting the views of the supervisors present. After further investigation and verification, the issues will be submitted to the next meeting to be voted. The issues postponed to be voted shall be explained in the resolutions of the Board of Supervisors.

Chapter 5 Resolution of the Board of Supervisors and Implementation

Article 31 Voting methods of the resolution of the Board of Supervisors are: open vote or show of hands; the implement of resolution of the Board of Supervisors is subject to one-issue-one-vote, one-person-one-vote system.

Voting intention of supervisors is divided into consent, opposition and waiver. The supervisors present shall choose one of those intentions above, if a supervisor did not select or selected two or more than two intentions, the moderator of the meeting shall request him/her to select again, if refused to select, it shall be deemed as waiver; if a supervisor left the meeting midway, and did not return to vote, it shall be deemed as waiver.

Article 32 The resolution of the Board of Supervisors shall be voted and decided by more than two-thirds (including two-thirds) members of the Board of Supervisors.

Article 33 If necessary, an entire recording is needed during the meetings of the Board of Supervisors.

Article 34 Staff of the office of the Board of Supervisors shall keep record at on-site meetings. The meeting minutes shall include the following content:

- (1) Session and time, place and manner of convening;
- (2) Delivery of meeting notification;
- (3) Convener and moderator of the meeting;
- (4) Attendance;
- (5) Proposals for consideration at the meeting, main points and opinions of each supervisor on relevant matters and intentions of voting on proposals;
- (6) Voting method and result of each proposal (stating the specific votes of consent, opposition and waiver); and
- (7) Other matters shall be recorded according to the consideration of supervisors present.

As for the meetings of the Board of Supervisors held through communication or transferring and signing, the office of the Board of Supervisors shall summarize meeting minutes referring to the rules above.

Article 35 Supervisors present and recorder shall sign for confirmation on the meeting minutes. If supervisors have different opinions on the meeting minutes, they may write their opinions down when signing. If necessary, the supervisors shall report to regulatory authorities in time, and may

also issue a public statement.

If a supervisor neither confirmed and signed on the meeting minutes referring to the provision of the preceding paragraph, nor made written description or reported to regulatory authorities and stated publicly his/her different opinions, it will be deemed that he/she agreed completely the content of the meeting minutes.

Article 36 Supervisors shall be responsible for the resolutions of the Board of Supervisors. Where a resolution of the Board of Supervisors violates laws, regulations or the *Articles of Association*, and thus causes serious losses to the Company, the supervisors participating in the adoption of such a resolution shall be liable for the compensation to the Company. However, where the supervisors are proved to have expressed their objection to such a resolution when it was put to the vote and their objection was recorded in the minutes of the meeting, they may be exempted from such liability.

Supervisors shall not damage the interests of the Company by taking advantage of their connected relationship, if damage is caused, supervisors shall be liable for the compensation.

Article 37 The announcement of the resolution of the Board of Supervisors shall be handled by the secretary to the Board of Directors in accordance with the relevant provisions of the listing rules of the listing places.

Article 38 The Board of Supervisors establishes a record-keeping system of the implementation of resolutions of the Board of Supervisors. Each resolution of the Board of Supervisors shall be carried out and supervised by designated supervisors who shall record the implementation of the resolution, and report to the Board of Supervisors the final result of the implementation. The chairman of the Board of Supervisors shall announce the implementation of the resolution at later meetings of the Board of Supervisors.

Article 39 The chairman of the Board of Supervisors shall appoint a specially-assigned person to take care of the archives of the meetings of the Board of Supervisors, including meeting notification, meeting materials, meeting attendance books, meeting record data, votes, meeting minutes signed for confirmation by supervisors present, and announcement of resolutions, etc.

The storage life of the meeting materials of the Board of Supervisors is 10 years.

Chapter 6 Supplementary Provisions

Article 40 Other matters not mentioned in the Rules shall be implemented in accordance with relevant state laws, regulations, the listing rules and the Articles of Association. The rules should be in compliance with the listing rules of the listing places at the same time. If the listing rules at the different places where the Company is listed are different, it shall be implemented according to the stricter principles.

Article 41 “Above”, “inside” mentioned in the Rules contain the figure, “over”, “below”, “more than” and “less” do not contain the figure.

Article 42 The Rules will take effect after the approval by the Shareholders’ Meeting.

Article 43 The Board of Supervisors is responsible for the interpretation of the Rules.