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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 2015 PECTIN PRODUCT PURCHASE FRAMEWORK AGREEMENT

Reference is made to the announcements of the Company dated 29 September 2015 and 19 January 2016 in relation to, among other things, the renewal of the 2012 Pectin Product Purchase Framework Agreement and the revision of the annual caps for the years from 2016 to 2018 under the 2015 Pectin Product Purchase Framework Agreement.

As the amended 2015 Pectin Product Purchase Framework Agreement will expire on 31 December 2018, as at the date of this announcement, the Company has entered into the Pectin Product Purchase Framework Agreement with Andre Pectin, which will take effect and renew the transactions contemplated under the 2015 Pectin Product Purchase Framework Agreement on 1 January 2019.

RENEWAL OF HENGTONG PRODUCT PURCHASE FRAMEWORK AGREEMENT

Reference is made to the announcement of the Company dated 19 January 2016 in relation to, among other things, the Hengtong Product Purchase Framework Agreement entered into between the Company and Yantai Hengtong.

As the Hengtong Product Purchase Framework Agreement will expire on 31 December 2018, the Company and Yantai Hengtong agreed to renew the transaction terms, and entered into the New Hengtong Product Purchase Framework Agreement on 13 December 2018, whereby the Company agreed to purchase and Yantai Hengtong agreed to supply the products mainly used for production purpose of the Group (including but not limited to electricity and steam), to regulate the product purchase between the Group and Yantai Hengtong for the three years ending 31 December 2021.

* *For identification purposes only*

RENEWAL OF PRESIDENT PRODUCT PURCHASE FRAMEWORK AGREEMENT WITH PRESIDENT

Reference is made to the announcement of the Company dated 11 December 2017 in relation to, among other things, the President Product Purchase Framework Agreement entered into between the Company and President on 11 December 2017.

As the President Product Purchase Framework Agreement will expire on 31 December 2018, the Company and President agreed to renew the transaction terms, and entered into the New President Product Purchase Framework Agreement on 13 December 2018, 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 warehousing and other services relating to the purchase to subsidiaries of President, to regulate the product purchase between the Group and President for the period commencing on 1 January 2019 and expiring on 31 December 2019.

RENEWAL OF TON YI PRODUCT PURCHASE FRAMEWORK AGREEMENT WITH TON YI

Reference is made to the announcement of the Company dated 11 December 2017 in relation to, among other things, the Ton Yi Product Purchase Framework Agreement entered into between the Company and Ton Yi on 11 December 2017.

As the Ton Yi Product Purchase Framework Agreement will expire on 31 December 2018, the Company and Ton Yi agreed to renew the transaction terms, and entered into the New Ton Yi Product Purchase Framework Agreement on 13 December 2018, 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 warehousing and other services relating to the purchase to subsidiaries of Ton Yi, 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.

LISTING RULES IMPLICATIONS

Andre Group is a substantial Shareholder holding 54,658,540 domestic shares of the Company as at the date of this announcement, representing 15.27% of the total issued share capital of the Company as at the date of this announcement. Andre Group is therefore a connected person of the Company. Since Andre Group has a 47.37% equity interest in Andre Pectin, Andre Pectin is an associate of Andre Group and is also a connected person of the Company under the Listing Rules. Therefore, the transactions contemplated under the Pectin Product Purchase Framework Agreement entered into between the Company and Andre Pectin constitute continuing connected transactions of the Company under the Listing Rules.

As Yantai Hengtong is wholly owned by Andre Group, Yantai Hengtong is an associate of Andre Group and is also a connected person of the Company under the Listing Rules. Therefore, the transactions contemplated under the Hengtong Product Purchase Framework Agreement between the Company and Yantai Hengtong constitute continuing connected transactions of the Company under the Listing Rules.

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.

Since the applicable percentage ratios (other than the profit ratio) for the proposed annual caps for each of the three years from 1 January 2019 to 31 December 2021 for the respective continuing connected transactions under the Pectin Product Purchase Framework Agreement and the New Hengtong Product Purchase Framework Agreement and the proposed annual caps for the period from 1 January 2019 to 31 December 2019 for the respective continuing connected transactions under the New President Product Purchase Framework Agreement and the New Ton Yi Product Purchase Framework Agreement are more than 0.1% but less than 5% on a cumulative basis, in accordance with requirements of the Listing Rules, the continuing connected transactions under the Pectin Product Purchase Framework Agreement between the Company and Andre Pectin, the New Hengtong Product Purchase Framework Agreement between the Company and Yantai Hengtong, 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 only subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules and are exempted from the independent Shareholders' approval requirement.

I. RENEWAL OF 2015 PECTIN PRODUCT PURCHASE FRAMEWORK AGREEMENT

Background

Reference is made to the announcements of the Company dated 29 September 2015 and 19 January 2016 in relation to, among other things, the renewal of the 2012 Pectin Product Purchase Framework Agreement and the revision of the annual caps under the 2015 Pectin Product Purchase Framework Agreement.

As the amended 2015 Pectin Product Purchase Framework Agreement will expire on 31 December 2018, as at the date of this announcement, the Company has entered into the Pectin Product Purchase Framework Agreement with Andre Pectin, which will take effect and renew the transactions contemplated under the 2015 Pectin Product Purchase Framework Agreement on 1 January 2019.

Pectin Product Purchase Framework Agreement

Date

13 December 2018

Parties

- (i) Andre Pectin (as purchaser); and
- (ii) The Company (as supplier)

Product Supply

Pursuant to the Pectin Product Purchase Framework Agreement, Andre Pectin has agreed to purchase pomace and juice products from the Group, including but not limited to apple pomace, pear pomace and cloudy apple juice.

The Group agreed to sell its products to Andre Pectin in first priority in the event that 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 Andre Pectin on terms less favourable than those offered to third parties for any transactions relating to the sales of products between the Group and Andre Pectin.

The Group and Andre Pectin agreed that the entering into of the Pectin Product Purchase Framework Agreement would not affect the selection of trading partners and conduct of transactions with third parties. Andre Pectin 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 Pectin Product Purchase Framework Agreement.

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

Term

The term of the Pectin Product Purchase Framework Agreement shall commence on 1 January 2019 and expire on 31 December 2021. Such term can be extended or renewed provided that the relevant parties agree to such extension or renewal and the requirements under the relevant laws, regulations and the listing rules of the stock exchange on where the relevant parties' shares are listed are complied with.

Pricing Policy

Prices of products to be supplied by the Company shall be determined according to (i) the Market Price (as defined below); and (ii) the Historical Price (as defined below), whichever is higher.

“Market Price” shall be determined in accordance with the following orders: (1) the prevailing price being charged by independent third parties under ordinary course of business for the sales of the same type of products at the selling places or its nearby regions; or (2) the prevailing price being charged by independent third parties under ordinary course of business for the sales of the same type of products in the PRC.

“Historical Price” shall be the average price of all transactions of similar products with independent third parties conducted within the preceding three months as recorded on a transaction record sheet which shall be monitored and maintained by the sales department of the Company.

Upon receipt of a sales order of the products, the sales department of the Company and its designated persons will ascertain the pricing offered by other independent third parties, generally by way of, obtaining quotations for a comparable volume and similar products from at least two independent third parties via emails, fax or phone and tenders by publishing tender notice via various media resources (for instance, the local newspapers), and take average of such quotations as the Market Price. They will also refer to the Historical Price as recorded on the updated transaction record sheet. Then they will take the higher of the Market Price and the Historical Price as selling price of the relevant sales order. The selling price of each major category of products will be reviewed upon receipt of a sales order of such products and be approved by the head of the sales department of the Company.

Accordingly, the Directors believe that the above methods and procedures can ensure that the relevant continuing connected transactions will be conducted in accordance with the terms (including pricing policy) provided under the Pectin 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 for the continuing connected transactions conducted under the 2015 Pectin Product Purchase Framework Agreement for the two years ended 31 December 2017 and the period between 1 January 2018 to 30 June 2018, are set out below:

	Twelve months ended 31 December 2016 <i>(RMB million)</i>	Twelve months ended 31 December 2017 <i>(RMB million)</i>	Six months ended 30 June 2018 <i>(RMB million)</i>
Revenue from pomace products sold by the Group to Andre Pectin	19.26	37.68	1.56

Proposed Annual Caps

The annual caps under the Pectin Product Purchase Framework Agreement for each of the three years ending 31 December 2021 are as follows:

	Proposed annual caps for the relevant period		
	For the year ending 2019 <i>(RMB million)</i>	For the year ending 2020 <i>(RMB million)</i>	For the year ending 2021 <i>(RMB million)</i>
Revenue Revenue from pomace and juice products to be sold by the Group to Andre Pectin	30	30	30

The annual caps for the continuing connected transactions conducted under the Pectin Product Purchase Framework Agreement have been determined based on the following factors: the estimated amounts of transactions involved with reference to historical transaction volume, the estimated potential growth of the Group, the expected economic growth of the PRC and the increase of the demand by Andre Pectin on the Company's products. The Directors (including independent non-executive Directors) consider that the proposed annual caps are fair and reasonable.

II. RENEWAL OF HENGTONG PRODUCT PURCHASE FRAMEWORK AGREEMENT

Background

Reference is made to the announcement of the Company dated 19 January 2016 in relation to, among other things, the Hengtong Product Purchase Framework Agreement entered into between the Company and Yantai Hengtong.

As the Hengtong Product Purchase Framework Agreement will expire on 31 December 2018, the Company and Yantai Hengtong agreed to renew the transaction terms, and entered into the New Hengtong Product Purchase Framework Agreement on 13 December 2018, whereby the Group agreed to purchase and Yantai Hengtong agreed to supply the products mainly used for production purpose of the Group (including but not limited to electricity and steam), to regulate the product purchase between the Group and Yantai Hengtong for the three years ending 31 December 2021.

Hengtong Product Purchase Framework Agreement

Date

13 December 2018

Parties

- (1) The Group (as purchaser); and
- (2) Yantai Hengtong (as supplier)

Product Purchase

Pursuant to the New Hengtong Product Purchase Framework Agreement, the Group has agreed to purchase products mainly used for production purpose of the Group (including but not limited to electricity and steam) from Yantai Hengtong for the three years ending 31 December 2021.

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

Yantai Hengtong agreed not to sell the products to the Group on terms less favourable than those offered to third parties for any transactions relating to the sales of products between the Group and Yantai Hengtong.

The Group and Yantai Hengtong agreed that the entering into of the New Hengtong Product Purchase Framework Agreement would not affect the selection of trading partners and the conduct of transactions with third parties. The Group 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 Hengtong Product Purchase Framework Agreement.

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

Term

The term of the New Hengtong Product Purchase Framework Agreement shall commence on 1 January 2019 and expire on 31 December 2021. Such term can be extended or renewed provided that the relevant parties agree to such extension or renewal and the requirements under the relevant laws, regulations and the listing rules of the stock exchange on which the relevant parties' shares are listed are complied with.

Pricing Policy

Prices of products to be purchased by the Group shall be determined according to the Market Price (as defined below).

“Market Price” shall be determined in accordance with the following order: (1) the prevailing price being charged by independent third parties under ordinary course of business for the sales of the same type of products at the selling places or its nearby regions; or (2) the prevailing price being charged by independent third parties under ordinary course of business for the sales of the same type of products in the PRC.

Upon receipt of quotation of the products, the manufacturing department of the Company and its designated persons will ascertain the prices offered by other independent third parties, generally by way of, obtaining quotations for a comparable volume and similar products from at least two independent third parties via emails, fax, phone or tenders by publishing tender notice via various media resources (for instance, the local newspapers), and take average of such quotations as the Market Price. The purchasing price will be reviewed and submitted to the head of the manufacturing department of the Company for approval.

Accordingly, the Directors (including independent non-executive Directors) believe that the above methods and procedures can ensure that the relevant continuing connected transactions will be conducted in accordance with the terms (including the pricing policy) stipulated under

the New Hengtong 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 products purchased by the Group from Yantai Hengtong are set out below:

	Twelve months ended 31 December 2016 (RMB million)	Twelve months ended 31 December 2017 (RMB million)	Six months ended 30 June 2018 (RMB million)
Amount paid by the Group to Yantai Hengtong in respect of the products purchased by the Group	20.62	18.39	4.54

Proposed Annual Caps

The proposed annual caps under the New Hengtong Product Purchase Framework Agreement for each of the three years ending 31 December 2021 are as follows:

	Proposed annual caps for the relevant period		
	For the year ending 2019 (RMB million)	For the year ending 2020 (RMB million)	For the year ending 2021 (RMB million)
Expected amount payable by the Group to Yantai Hengtong under the New Hengtong Product Purchase Framework Agreement	25	25	25

The proposed annual caps for the continuing connected transactions conducted under the New Hengtong Product Purchase Framework Agreement have been determined based on (i) the estimated amount of transactions involved with reference to the historical transaction volume; and (ii) the estimated demand by the Group on Yantai Hengtong's products with reference to the prospective consumption of such products by the manufacturing workshops of the Group at full production capacity. The Directors (including independent non-executive Directors) consider that the proposed annual caps are fair and reasonable.

III. RENEWAL OF PRESIDENT PRODUCT PURCHASE FRAMEWORK AGREEMENT

Background

Reference is made to the announcement of the Company dated 11 December 2017 in relation to, among other things, the President Product Purchase Framework Agreement entered into between the Company and President on 11 December 2017.

As the President Product Purchase Framework Agreement will expire on 31 December 2018, the Company and President agreed to renew the transaction terms, and entered into the New President Product Purchase Framework Agreement on 13 December 2018, 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 warehousing and other services relating to the purchase to subsidiaries of President, to regulate the product purchase between the Group and President for the period commencing on 1 January 2019 and expiring on 31 December 2019.

New President Product Purchase Framework Agreement

Date

13 December 2018

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 product 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. 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 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 agreement, provided that the terms of the specific product supply agreement shall not contravene those of the New President Product Purchase Framework Agreement.

Term

Commencing on 1 January 2019 and expiring on 31 December 2019.

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, (1) referring to the comparable transactions (if any) in relation to supplying such products to independent third parties by the Company during the same period; (2) obtaining quotations from at least two independent third parties via emails, fax or phone or tenders by publishing tender notice via various media resources (for instance, the local newspapers); or (3) 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 the uniform 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 will be 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 Shareholders as a whole.

Historical Figures

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

	Twelve months ended 31 December 2016 (RMB million)	Twelve months ended 31 December 2017 (RMB million)	Six months ended 30 June 2018 (RMB million)
Amount paid to the Group by President in respect of the products provided by the Group	24.87	15.32	8.53

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 2019 and expiring on 31 December 2019 as RMB21,000,000, mainly determined based on the following factors:

- (i) the historical transaction amounts with President for the sales of products; and
- (ii) the expected stability of the prevailing market prices for the sales of the Company's products.

IV. RENEWAL OF TON YI PRODUCT PURCHASE FRAMEWORK AGREEMENT

Background

Reference is made to the announcement of the Company dated 11 December 2017 in relation to, among other things, the Ton Yi Product Purchase Framework Agreement entered into between the Company and Ton Yi on 11 December 2017.

As the Ton Yi Product Purchase Framework Agreement will expire on 31 December 2018, the Company and Ton Yi entered into the New Ton Yi Product Purchase Framework Agreement on 13 December 2018, 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 warehousing and other services relating to the purchase to subsidiaries of Ton Yi, 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.

New Ton Yi Product Purchase Framework Agreement

Date

13 December 2018

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. Ton Yi 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 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 agreement, provided that the terms of the specific product supply agreement shall not contravene those of the New Ton Yi Product Purchase Framework Agreement.

Term

Commencing on 1 January 2019 and expiring on 31 December 2019.

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, (1) referring to the comparable transactions (if any) in relation to supplying such products to independent third parties by the Company during the same period; (2) obtaining quotations from at least two independent third parties via emails, fax or phone or tenders by publishing tender notice via various media resources (for instance, the local newspapers); or (3) 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 the uniform 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 will be 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.

Proposed Annual Cap

The Board proposes to set the proposed annual cap of the products sold to Ton Yi for the period commencing on 1 January 2019 and expiring on 31 December 2019 as RMB21,000,000, mainly determined based on the following factors:

- (i) the historical transaction amounts with Ton Yi for the sales of products; and
- (ii) the expected stability of the prevailing market prices for the sales of the Company's products.

III. REASONS FOR THE CONTINUING CONNECTED TRANSACTIONS

A. Renewal of the 2015 Pectin Product Purchase Framework Agreement

Due to the long-term business relationship between the Group and Andre Pectin, the Company considers that it is beneficial to enter into the Pectin Product Purchase Framework Agreement as these transactions will continue to facilitate the operation and growth of the Group's business.

B. Renewal of the Hengtong Product Purchase Framework Agreement

As a result of the acquisition of 100% equity interest in Yantai Hengtong by Andre Group, a substantial Shareholder, on 28 December 2015, Yantai Hengtong became a connected person of the Company. Due to the long-term business relationship between the Group and Yantai Hengtong, the Company considers that it is beneficial to enter into the New Hengtong Product Purchase Framework Agreement as the transactions contemplated thereunder will continue to facilitate the operation and growth of the Group's business.

C. Renewal of the President Product Purchase Framework Agreement

The demand for the Company's products by President has maintained at a high level due to the continued development and commitment of relevant products by President, while at the same time, the Company has sufficient production capacity and raw materials for production to satisfy the increase in demand by President. The supply of the Company's products to President in the PRC can lower the freight costs as well as the exchange risks as compared to sales of the same products overseas. Besides, the supply of the Company's products to President can expand the Company's share in the domestic markets by maintaining close and stable business relationships with certain renowned beverage manufacturers in the PRC and broadening sales channels. Therefore, the Directors are of the opinion that the New President Product Purchase Framework Agreement is beneficial in 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 purchase by President in the event that the purchase terms are the same as those of third parties.

D. Renewal of the Ton Yi Product Purchase Framework Agreement

The demand for the Company's products by Ton Yi has maintained at a high level due to the continued development and commitment of relevant products by Ton Yi, while the Company has sufficient production capacity and raw materials for production. The Board is of the opinion that the entering into of the New Ton Yi Product Purchase Framework

Agreement is beneficial in raising the proportion of domestic sales of the Company as well as product diversification, which will in turn increase the revenue and profits of the Company.

The Board (including independent non-executive Directors) considers that the transactions under the Pectin Product Purchase Framework Agreement, the New Hengtong Product Purchase Framework Agreement, the New President Product Purchase Framework Agreement and the New Ton Yi Product Purchase Framework Agreement 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.

In addition, the Board (including the independent non-executive Directors) considers that the proposed annual caps for each of the three years ending 31 December 2021 for the transactions under the Pectin Product Purchase Framework Agreement and the New Hengtong Product Purchase Framework Agreement and the proposed annual caps for the period commencing on 1 January 2019 and expiring on 31 December 2019 for the transactions under the New President Product Purchase Framework Agreement and the New Ton Yi Product Purchase Framework Agreement are fair and reasonable.

Mr. Wang An has abstained from voting on the Board resolutions approving the Pectin Product Purchase Framework Agreement and the New Hengtong Product Purchase Framework Agreement since he is the controlling shareholder of Andre Pectin and Yantai Hengtong.

Mr. Liu Tsung-Yi, a Director, is probably 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 Director has material interest in the transactions and hence no other Director has abstained from voting on such board resolution.

IV. LISTING RULES IMPLICATIONS

Andre Group is a substantial Shareholder holding 54,658,540 domestic shares of the Company, representing 15.27% of the total issued share capital of the Company as at the date of this announcement. Andre Group is therefore a connected person of the Company. Since Andre Group has a 47.37% equity interest in Andre Pectin, Andre Pectin is an associate of Andre Group and is also a connected person of the Company under the Listing Rules. Therefore, the transactions contemplated under the Pectin Product Purchase Framework Agreement entered into between the Company and Andre Pectin constitute continuing connected transactions of the Company under the Listing Rules.

As Yantai Hengtong is wholly owned by Andre Group, Yantai Hengtong is an associate of Andre Group and is also a connected person of the Company under the Listing Rules. Therefore, the transactions contemplated under the New Hengtong Product Purchase Framework Agreement between the Company and Yantai Hengtong constitute continuing connected transactions of the Company under the Listing Rules.

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 applicable percentage ratios (other than the profit ratio) for the proposed annual caps for each of the three years from 1 January 2019 to 31 December 2021 for the respective continuing connected transactions under the Pectin Product Purchase Framework Agreement and the New Hengtong Product Purchase Framework Agreement and the proposed annual caps for the period from 1 January 2019 to 31 December 2019 for the respective continuing connected transactions under the New President Product Purchase Framework Agreement and the New Ton Yi Product Purchase Framework Agreement are more than 0.1% but less than 5% on a cumulative basis, in accordance with requirements of the Listing Rules, the continuing connected transactions under the Pectin Product Purchase Framework Agreement with Andre Pectin, the New Hengtong Product Purchase Framework Agreement with Yantai Hengtong, the New President Product Purchase Framework Agreement with President, and the New Ton Yi Product Purchase Framework Agreement with Ton Yi are only subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of 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.

Andre Pectin is principally engaged in the businesses of manufacturing and sales of pectin.

Yantai Hengtong is principally engaged in the businesses of the production and sales of electricity and heating power and the development of energy-saving products.

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 and is principally engaged in businesses such as legal investment in the areas where the State allows foreign investment, undertaking the service of outsourcing businesses of its parent company and its affiliates, exporting the domestic products by way of agency, distribution, or setting up an export purchase organization (including an internal organization), and arranging for the export tax refund formalities according to the relevant provisions.

F. DEFINITIONS

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

“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
“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
“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
“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
“Andre Group”	Shandong Andre Group Co., Ltd.* (山東安德利集團有限公司), a limited liability company incorporated in the PRC and owned as to 90% by Mr. Wang An, a Director
“Andre Pectin”	Yantai Andre Pectin Co., Ltd. *(烟台安德利果膠股份有限公司), a joint stock company incorporated in the PRC with limited liability
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“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
“Yantai Hengtong”	Yantai Hengtong Thermoelectricity Co., Ltd.*(烟台亨通熱電有限公司), a limited liability company incorporated in the PRC, and shall include its subsidiaries when referred to as a party to the Hengtong Product Purchase Framework Agreement
“2015 Pectin Product Purchase Framework Agreement”	a framework agreement dated 29 September 2015 entered into between the Company and Andre Pectin for the sale of pomace and juice products to Andre Pectin
“Pectin Product Purchase Framework Agreement”	a framework agreement dated 13 December 2018 entered into between the Company and Andre Pectin for the sale of pomace and juice products to Andre Pectin

<p>“Hengtong Product Purchase Framework Agreement”</p>	<p>a framework agreement dated 19 January 2016 entered into between the Company and Yantai Hengtong, pursuant to which the Group has agreed to purchase and Yantai Hengtong has agreed to supply products (including but not limited to electricity and steam), to regulate the product purchase between the Group and Yantai Hengtong for the three years ending 31 December 2018</p>
<p>“New Hengtong Product Purchase Framework Agreement”</p>	<p>a framework agreement dated 13 December 2018 entered into between the Company and Yantai Hengtong, pursuant to which the Group has agreed to purchase and Yantai Hengtong has agreed to supply products (including but not limited to electricity and steam), to regulate the product purchase between the Group and Yantai Hengtong for the three years ending 31 December 2021</p>
<p>“New President Product Purchase Framework Agreement”</p>	<p>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</p>
<p>“New Ton Yi Product Purchase Framework Agreement”</p>	<p>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</p>
<p>“President Product Purchase Framework Agreement”</p>	<p>the product purchase framework agreement dated 11 December 2017 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 2018 and expiring on 31 December 2018</p>

“Ton Yi Product Purchase Framework Agreement”	the product purchase framework agreement dated 11 December 2017 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 2018 and expiring on 31 December 2018
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Yantai, the PRC, 13 December 2018

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 Tong Ning (*Independent non-executive Director*)

* *For identification purposes only*