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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)

DISCLOSEABLE TRANSACTION

ACQUISITION OF THE ENTIRE EQUITY INTEREST IN LIQUAN YITONG

The Board is pleased to announce that on 5 August 2015, Baishui Andre, a wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with Yantai Yitong and Yantai Anlin, pursuant to which Baishui Andre has conditionally agreed to acquire and Yantai Yitong and Yantai Anlin have conditionally agreed to sell the entire equity interest in Liquan Yitong at a consideration of RMB120,000,000 (equivalent to approximately HK\$151,898,734).

Upon completion of the Equity Transfer Agreement, Liquan Yitong will become a wholly-owned subsidiary of the Company and its financial results will be consolidated into the accounts of the Company.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquires, each of Yantai Yitong, Yantai Anlin and their ultimate beneficial owners is not a connected person and is independent of any Director, chief executive, substantial shareholder or the controlling shareholder of the Company or its subsidiaries or any of their respective associates.

As the relevant percentage ratios in respect of the transaction contemplated under the Equity Transfer Agreement exceed 5% but are less than 25%, the transaction contemplated under the Equity Transfer Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

BACKGROUND

The Board is pleased to announce that on 5 August 2015, Baishui Andre, a wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with Yantai Yitong and Yantai Anlin, pursuant to which Baishui Andre has conditionally agreed to acquire and Yantai Yitong and Yantai Anlin have conditionally agreed to sell the entire equity interest in Liquan Yitong at a consideration of RMB120,000,000 (equivalent to approximately HK\$151,898,734).

THE EQUITY TRANSFER AGREEMENT

1. **Date:** 5 August 2015

2. **Parties**

Purchaser: Baishui Andre

Vendor: Yantai Yitong and Yantai Anlin

3. **Equity Interest to be Acquired**

Pursuant to the Equity Transfer Agreement, Baishui Andre has conditionally agreed to acquire and Yantai Yitong and Yantai Anlin have conditionally agreed to sell the entire equity interest in Liquan Yitong. As at the date of this announcement, Liquan Yitong is owned as to 95% by Yantai Yitong and 5% by Yantai Anlin.

4. **Consideration**

Pursuant to the Equity Transfer Agreement, the consideration for the entire equity interest in Liquan Yitong to be acquired by Baishui Andre is RMB120,000,000 (equivalent to approximately HK\$151,898,734), which was negotiated on an arm's length basis among Baishui Andre, Yantai Yitong and Yantai Anlin with reference to the entire equity value of Liquan Yitong as at 30 June 2015 valued at RMB121,741,500 (equivalent to approximately HK\$154,103,165) as shown in the assets valuation report dated 20 July 2015 on Liquan Yitong prepared by an independent and qualified PRC appraiser, using the asset-based method.

The consideration shall be paid by Baishui Andre in two instalments. The first instalment in the amount of RMB36,000,000 (equivalent to approximately HK\$45,569,620), being 30% of the consideration, shall be paid to the bank accounts designated by Yantai Yitong and Yantai Anlin within fifteen working days from the date of the Equity Transfer Agreement. The balance of the consideration in the amount of RMB84,000,000 (equivalent to approximately HK\$106,329,114), being 70% of the consideration, shall be settled within one month after completion of registration of the change of shareholders with the industry and commerce administration authority. The said consideration will be funded by the internal resources of the Company.

Upon completion of the Equity Transfer Agreement, Liquan Yitong will become a wholly-owned subsidiary of the Company and its financial results will be consolidated into the accounts of the Company.

5. **Effectiveness**

The Equity Transfer Agreement shall become effective on the date after (i) it is signed by the parties; and (ii) the transaction under the Equity Transfer Agreement has obtained internal approval by Baishui Andre.

REASONS FOR AND BENEFITS OF ENTERING INTO THE EQUITY TRANSFER AGREEMENT

Liquan is the largest county of fruit in the PRC in terms of the volume of fruit production and it has plenty of fruit supply. The Board believes that the transaction under the Equity Transfer Agreement will increase the returns to the shareholders of the Company and achieve better social benefits.

The Board (including the independent non-executive Directors) believes that the terms of the Equity Transfer Agreement (including the consideration) are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

GENERAL INFORMATION

1. Principal Business Activities

(a) The Company

The Company is principally engaged in the businesses of (i) production and sales of various virgin pulp juice and fruit and vegetable juice; (ii) processing and sales of iron packaging products; (iii) biological and comprehensive utilization of pomace; and (iv) wholesale and import and export of various virgin pulp juice, fruit and vegetable juice and fruit pulps.

(b) Baishui Andre

Baishui Andre is principally engaged in the businesses of manufacturing of fruit and vegetable juice concentrate and fruit and vegetable juice beverages.

(c) Yantai Yitong

Yantai Yitong is principally engaged in the businesses of production of electricity and heating power and the sales of heating power.

(d) Yantai Anlin

Yantai Anlin is principally engaged in the businesses of manufacturing and storage of fruits and vegetables, juice and related products.

(e) Liquan Yitong

Liquan Yitong is principally engaged in the businesses of production, processing and sales of fruit and vegetable juice, apple juice and pear juice.

2. Financial Information

The unaudited net assets value of Liqueur Yitong as at 31 December 2014 was RMB57,707,745 (equivalent to approximately HK\$73,047,778). The unaudited net profit of Liqueur Yitong before and after taxation for the year ended 31 December 2014 were RMB6,817,474 (equivalent to approximately HK\$8,629,714) and RMB6,817,474 (equivalent to approximately HK\$8,629,714), respectively. The unaudited net profit of Liqueur Yitong before and after taxation for the year ended 31 December 2013 were RMB2,596,363 (equivalent to approximately HK\$3,286,535) and RMB2,596,363 (equivalent to approximately HK\$3,286,535), respectively.

All unaudited financial information of Liqueur Yitong disclosed in this announcement has been prepared in accordance with the Accounting Standards for Business Enterprises in the PRC.

3. Implications under the Listing Rules

To the best of the Directors' knowledge, information and belief and having made all reasonable enquires, each of Yantai Yitong, Yantai Anlin and their ultimate beneficial owners is not a connected person and is independent of any Director, chief executive, substantial shareholder or the controlling shareholder of the Company or its subsidiaries or any of their respective associates.

As the relevant percentage ratios in respect of the transaction contemplated under the Equity Transfer Agreement exceed 5% but are less than 25%, the transaction contemplated under the Equity Transfer Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“associates”	has the meaning ascribed to such term under the Listing Rules
“Baishui Andre”	Baishui Andre Juice Co., Ltd. (白水安德利果蔬汁有限公司), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Company
“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 company incorporated in the PRC with limited liability and whose H shares are listed on the Main Board of the Stock Exchange
“connected persons”	has the meaning ascribed to such term under the Listing Rules
“Directors”	the directors of the Company

“Equity Transfer Agreement”	the equity transfer agreement dated 5 August 2015 entered into between Baishui Andre and Yantai Yitong and Yantai Anlin
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region of the PRC
“Liquan Yitong”	Liquan Yitong Juice Co., Ltd. (禮泉億通果蔬汁有限公司), a limited liability company incorporated in the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	has the meaning ascribed to such term under the Listing Rules
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Yantai Anlin”	Yantai Anlin Fruit Processing Co., Ltd. (烟台安林果業有限公司), a limited liability company incorporated in the PRC
“Yantai Yitong”	Yantai Yitong Thermoelectricity Co., Ltd. (烟台億通熱電有限公司), a limited liability company incorporated in the PRC

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

Yantai, the PRC, 5 August 2015

For illustration purposes only, the exchange rate adopted in the announcement was HK\$1.00 to RMB0.79.

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. Gong Fan (*Independent non-executive Director*)
Mr. Chow Kam Hung (*Independent non-executive Director*)
Mr. Li Tong Ning (*Independent non-executive Director*)

* *For identification purpose only*