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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Yantai North Andre Juice Co., Ltd.\*** (烟台北方安德利果汁股份有限公司), you should at once hand this circular and the enclosed proxy form and reply slip to the purchaser or transferee or to the bank or licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)**

- (1) CONTINUING CONNECTED TRANSACTIONS – PRODUCT PURCHASE FRAMEWORK AGREEMENT;**  
**(2) PROPOSAL FOR GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE OF H SHARES; AND**  
**(3) DISTRIBUTION OF FINAL DIVIDEND**  
**(4) NOTICES OF ANNUAL GENERAL MEETING AND CLASS MEETINGS**

**INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT SHAREHOLDERS IN RELATION TO PRODUCT PURCHASE FRAMEWORK AGREEMENT**



**Alliance Capital Partners Limited**  
**同人融資有限公司**

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A letter from the Board is set out on pages 5 to 17 of this circular. A letter from the Independent Board Committee is set out on page 18 of this circular. A letter from the Independent Financial Adviser is set out on pages 19 to 25 of this circular, which contains its recommendations to the Independent Board Committee and the Independent Shareholders in relation to the Product Purchase Framework Agreement.

The notices convening the Annual General Meeting, the Class Meeting for Holders of Domestic Shares and the Class Meeting for Holders of H Shares to be held at 2nd Floor, No. 18 Andre Avenue, Muping Economic Development Zone, Yantai City, Shandong Province, the People's Republic of China (the "PRC") on Tuesday, 26 May 2015 are set out on pages 38 to 49 of this circular.

Whether or not you are able to attend the respective meetings, you are strongly urged to complete and sign the enclosed forms of proxy in accordance with the instructions printed thereon. For holders of H Shares, please return it to the Company's H Share registrar, Tricor Tengis Limited, 22nd Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong; and for holders of Domestic Shares, the proxy form shall be delivered to the registered office of the Company at No. 18 Andre Avenue, Muping Economic Development Zone, Yantai City, Shandong Province, the PRC as soon as possible but in any event not later than 24 hours before the time appointed for the holding of the relevant meeting(s) or any adjourned meeting(s) (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting(s) or any adjourned meeting(s) should you so wish.

\* For identification purpose only

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## DEFINITIONS

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“Annual General Meeting”	the annual general meeting of the Company for the year ended 31 December 2014 to be held at 2nd Floor, No. 18 Andre Avenue, Muping Economic Development Zone, Yantai City, Shandong Province, the PRC on Tuesday, 26 May 2015 at 10:00 a.m.
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board”	the board of Directors
“Class Meetings”	the Class Meeting for Holders of H Shares and the Class Meeting for Holders of Domestic Shares
“Class Meeting for Holders of Domestic Shares”	the class meeting of the holders of Domestic Shares to be held at 2nd Floor, No. 18 Andre Avenue, Muping Economic Development Zone, Yantai City, Shandong Province, the PRC on Tuesday, 26 May 2015 at 11:00 a.m.
“Class Meeting for Holders of H Shares”	the class meeting of the holders of H Shares to be held at 2nd Floor, No. 18 Andre Avenue, Muping Economic Development Zone, Yantai City, Shandong Province, the PRC on Tuesday, 26 May 2015 at 11:30 a.m.
“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
“Domestic Shares”	the domestic invested shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are held in Renminbi
“Group”	the Company and its subsidiaries
“H Shares”	the overseas-listed foreign invested shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are held and traded in Hong Kong dollars

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## DEFINITIONS

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“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	a committee of the Board comprising all the independent non-executive Directors, namely Mr. Gong Fan, Mr. Chow Kam Hung and Mr. Li Tong Ning for the purpose of advising the Independent Shareholders on the Product Purchase Framework Agreement (including the proposed annual caps) and connected transactions
“Independent Financial Adviser”	Alliance Capital Partners Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders
“Independent Shareholder(s)”	Shareholder(s) other than President and its associate) who are not required to abstain from voting at the Annual General Meeting for the relevant resolution
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to issue, allot or otherwise deal with additional shares in the capital of the Company (whether Domestic Shares and/or H Shares) up to a maximum of 20% of the aggregate nominal amount of the Domestic Shares and/or H Shares in issue as at the date of passing the relevant resolution at the Annual General Meeting
“Latest Practicable Date”	8 April 2015, being the latest practicable date for ascertaining certain information contained in this circular prior to its publication
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, excluding, for the purpose of this circular only, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Company Law”	the Company Law of the PRC
“President”	President Enterprises (China) Investment Co., Ltd., a limited liability company established in the PRC and a substantial shareholder of the Company which in aggregate holds approximately 16.29% of the total issued share capital of the Company as at the Latest Practicable Date

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## DEFINITIONS

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“Previous Product Purchase Framework Agreement”	the Product Purchase Framework Agreement dated 30 March 2012 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 juice) to regulate the product purchase between the Group and President for the three years ended 31 December 2014
“Product Purchase Framework Agreement”	the Product Purchase Framework Agreement dated 12 March 2015 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 juice) to regulate the product purchase between the Group and President for the three years ending 31 December 2017, as amended by a supplement agreement to the Product Purchase Framework Agreement on 10 April 2015 entered into between the Company and President to amend the term in relation to the pricing policy
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to repurchase H Shares with an aggregate nominal value not exceeding 10% of the aggregate nominal value of H Shares in issue as at the date of passing the relevant resolution at the Annual General Meeting
“RMB”	Renminbi, the lawful currency of the PRC
“SAFE”	the State Administration of Foreign Exchange of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	the shareholder(s) of the Company
“Shares”	Domestic Shares and H Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor”	the supervisor of the Company

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## DEFINITIONS

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“Supplemental Agreement”	a supplemental agreement to the Previous Product Purchase Framework Agreement dated 17 September 2012 entered into between the Company and President
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases issued by the Securities and Futures Commission of Hong Kong
“%”	per cent

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## LETTER FROM THE BOARD

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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)

*Executive Directors:*

Mr. Wang An  
Mr. Zhang Hui  
Mr. Wang Yan Hui

*Non-executive Director:*

Mr. Liu Tsung-Yi

*Independent non-executive Directors:*

Mr. Gong Fan  
Mr. Chow Kam Hung  
Mr. Li Tong Ning

*Registered Office:*

No. 18 Andre Avenue,  
Muping Economic Development Zone,  
Yantai City,  
Shandong Province,  
the PRC

*Principal Place of Business  
in Hong Kong:*

Room 1505  
Wheelock House  
20 Pedder Street  
Central  
Hong Kong

10 April 2015

*To the Shareholders*

Dear Sir or Madam,

- (1) CONTINUING CONNECTED TRANSACTIONS – PRODUCT PURCHASE  
FRAMEWORK AGREEMENT;  
(2) PROPOSAL FOR GENERAL MANDATES TO ISSUE SHARES AND  
REPURCHASE OF H SHARES; AND  
(3) DISTRIBUTION OF FINAL DIVIDEND  
(4) NOTICES OF ANNUAL GENERAL MEETING AND  
CLASS MEETINGS**

### **1. INTRODUCTION**

Reference is made to the announcement of the Company dated 12 March 2015 in relation to the Product Purchase Framework Agreement.

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the Annual General Meeting, the Class Meeting for Holders of Domestic Shares and the Class Meeting for Holders of H Shares to (a) approve, among other matters, (i) the Product Purchase Framework Agreement (including the proposed annual caps); (ii) the grant of the Issue Mandate and the Repurchase Mandate; and (iii) distribution of a final dividend; and (b) give you notices of the Annual General Meeting, the Class Meeting for Holders of Domestic Shares and the Class Meeting for Holders of H Shares.

\* For identification purpose only

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## LETTER FROM THE BOARD

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### 2. PRODUCT PURCHASE FRAMEWORK AGREEMENT

#### 2.1 Background

Reference is made to the announcement of the Company dated 30 March 2012 and the circular of the Company dated 10 May 2012 in relation to, among other things, the Previous Product Purchase Framework Agreement entered into between the Company and President on 30 March 2012, and the announcement of the Company dated 17 September 2012 and the circular of the Company dated 10 October 2012 in relation to, among other things, the Supplemental Agreement entered into between the Company and President on 17 September 2012.

As the Previous Product Purchase Framework Agreement and the Supplemental Agreement expired on 31 December 2014, the Company and President agreed to renew the transaction terms, and entered into the Product Purchase Framework Agreement on 12 March 2015, whereby President agrees to purchase and the Company agrees to supply the Company's products (including but not limited to different kinds of juice), to regulate such product purchase between the Group and President for the three financial years ending 31 December 2017. The Company and President entered into a supplement agreement to the Product Purchase Framework Agreement on 10 April 2015 to amend the term in relation to the pricing policy. All other terms set out in the Product Purchase Framework Agreement remain unchanged.

#### 2.2 Product Purchase Framework Agreement

(1) *Date*

12 March 2015

(2) *Parties*

President (as purchaser); and the Company (as supplier)

(3) *Product Supply*

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

The Group agreed to sell its products to President in 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.



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## LETTER FROM THE BOARD

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The Group and President agreed that the entering into of the 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 Product Purchase Framework Agreement.

In respect of all transactions contemplated under the Product Purchase Framework Agreement for the sales of products, both parties may, within the scope of the 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 Product Purchase Framework Agreement.

**(4) *Term***

Commencing on 1 January 2015 and expiring on 31 December 2017.

**(5) *Condition Precedent***

The Product Purchase Framework Agreement is conditional upon the resolution regarding the Product Purchase Framework Agreement (including the proposed annual caps) and the transactions contemplated thereunder being approved by the Independent Shareholders at the Annual General Meeting.

**(6) *Pricing Policy***

The Company and President entered into the supplement agreement to the Product Purchase Framework Agreement on 10 April 2015 to amend this term. The details of the revised term are set out below.

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 quotation for a comparable volume and similar products from at least two independent third parties via emails, fax

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## LETTER FROM THE BOARD

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or phone and tenders by publishing tender notice via various media resources (for instance, the local newspapers), and take average of such quotation 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 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.

### 2.3 Historical Figures

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

	<b>Twelve months ended 31 December 2012 (RMB million)</b>	<b>Twelve months ended 31 December 2013 (RMB million)</b>	<b>Twelve months ended 31 December 2014 (RMB million)</b>
<b>Revenue</b>			
Amount paid to the Group by President in respect of the products provided by the Group	53	53	76

### 2.4 Proposed Annual Caps

The annual caps under the Product Purchase Framework Agreement for the three financial years ending 31 December 2017 are as follows:

	<b>Twelve months ended 31 December 2015 (RMB million)</b>	<b>Twelve months ended 31 December 2016 (RMB million)</b>	<b>Twelve months ended 31 December 2017 (RMB million)</b>
<b>Revenue</b>			
Amount payable to the Group by President in respect of the products provided by the Group	86	95	105

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## LETTER FROM THE BOARD

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For the three years ended 31 December 2014, the average of sales volume of pear juice concentrate accounted for more than 90% of the total sales volume by the Company to President under the Product Purchase Framework Agreement. Therefore, the proposed annual caps for the relevant transactions are mainly determined with reference to the demand on pear juice concentrate from President.

The Board estimates that the annual caps of product sold to President for the three financial years ending 31 December 2017 will be RMB86,000,000, RMB95,000,000 and RMB105,000,000, respectively, mainly due to the following reasons and assumptions:

- (i) the historical transaction amount with President for sale of products;
- (ii) along with the market demand for President's crystal sugar pear drink becoming stable, the sales volume of the Company's pear juice concentrate is expected to increase stably. At the same time, President will further develop other products which will result in increase in the demand for other juice concentrate of the Company. The Company has been in discussions with President relating to its demand for the Company's pear juice concentrate and other juice concentrate between 2015 and 2017. With reference to the proposed orders from President, the demand in terms of sales volume on the Company's pear juice concentrate and other juice concentrate for the year 2015 will increase by approximately 12% as compared with the sales volume for the year 2014. Based on the information and internal forecast provided by President, the Company expects the demand will further increase by approximately 10% and 11% in the years 2016 and 2017 respectively; and
- (iii) having considered the effect of inflation in China, the sales price based on the prevailing market prices of the Company's products is expected to increase due to the increase in the costs for the production of the Company's products, such as the raw materials and labor costs in terms of salary, expenses and other social securities responsibilities, and the Company expects there may be further increase by approximately 1% for each of the years 2015, 2016 and 2017.

The Directors are of the view that the above reasons and assumptions for the proposed annual caps are fair and reasonable.

### **2.5 Reasons for the Continuing Connected Transactions**

The demand for the Company's products (including pear juice concentrate) 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 Product Purchase Framework

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## LETTER FROM THE BOARD

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Agreement is beneficial in raising the proportion of domestic sales of the Company's pear juice products, 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.

The Board (including the independent non-executive Directors, whose view is formed after taking into account the advice from the Independent Financial Adviser) considers that the transactions under the Product Purchase Framework Agreement are in the usual and ordinary course of business of the Company, and terms of which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Board (including the independent non-executive Directors, whose view is formed after taking into account the advice from the Independent Financial Adviser) further considers that, the proposed annual caps for the transactions under the Product Purchase Framework Agreement for the three years ending 31 December 2017 are fair and reasonable.

Mr. Liu Tsung-Yi, the Director, has abstained from voting on the board resolution approving the Product Purchase Framework Agreement due to his management position in President. 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.

### **2.6 Listing Rules Implications**

As at the Latest Practicable Date, President holds 63,746,040 Domestic Shares, representing approximately 16.23% of the total issued share capital of the Company, and 237,000 H Shares, representing approximately 0.06% of the total issued share capital of the Company. Under the Listing Rules, President is a substantial Shareholder and thus is a connected person of the Company. Therefore, the transactions under the Product Purchase Framework Agreement between the Group and President 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 ending 31 December 2017 for the transactions under the Product Purchase Framework Agreement are more than 5%, the continuing connected transactions under the Product Purchase Framework Agreement are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under the Listing Rules.

From 1 January 2015 to 16 January 2015, the Company conducted several product purchase transactions with President with a total amount of RMB 2,188,205.56. During the period from 17 January 2015 to the date of this circular, the Company has not conducted any product purchase transaction with President. Since the applicable percentage ratios (other than the profit ratio) for the above transactions since 1 January 2015 are less than 5% and the total consideration is less than HK\$3,000,000, all these transactions fall under the de minimis provision set forth in Rule 14A.76 of the Listing Rules and are therefore exempted from the reporting, announcement, annual review and independent shareholders' approval requirements set forth under the Listing Rules.

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## LETTER FROM THE BOARD

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A resolution is included in the Annual General Meeting to seek the approval of the Independent Shareholders by way of poll for the Product Purchase Framework Agreement (including the proposed annual caps) and the transactions contemplated thereunder. President and its associate(s) (as defined under the Listing Rules) will abstain from voting on the relevant resolution.

### **2.7 General Information**

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.

President is a limited liability company established under the PRC laws and is principally engaged in the production and sales 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 food and beverage products.

The Independent Board Committee has been appointed to advise the Independent Shareholders on the terms of the Product Purchase Framework Agreement and the proposed annual caps for the transactions under the Product Purchase Framework Agreement for the three financial years ending 31 December 2017.

Alliance Capital Partners Limited was appointed by the Company as the Independent Financial Adviser to make recommendations to the Independent Board Committee and Independent Shareholders on the terms of the Product Purchase Framework Agreement and the proposed annual caps.

### **3. GENERAL MANDATE TO ISSUE SHARES**

A special resolution will be proposed at the Annual General Meeting to grant the Directors the Issue Mandate, details of which are set out in the proposed resolution numbered 8 in the notice of Annual General Meeting. Based on 392,600,000 Shares in issue as at the Latest Practicable Date, and assuming that no further H Shares are issued prior to the Annual General Meeting, the Class Meeting for Holders of H Shares and the Class Meeting for Holders of Domestic Shares and subject to the passing of the relevant special resolution to approve the Issue Mandate at the Annual General Meeting, the Directors will be authorized to allot and issue up to a limit of 78,520,000 Shares (comprising 28,412,800 H Shares and 50,107,200 Domestic Shares) under the Issue Mandate.

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## LETTER FROM THE BOARD

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### 4. GENERAL MANDATE TO REPURCHASE H SHARES

At the 2013 annual general meeting of the Company held on 25 June 2014, a general mandate was granted to the Directors to repurchase H Shares. Such general mandate will lapse at the conclusion of the Annual General Meeting.

The Company proposed a special resolution at the Annual General Meeting, the Class Meeting for Holders of H Shares and the Class Meeting for Holders of Domestic Shares to grant the Directors again the Repurchase Mandate to purchase H Shares in issue with an aggregate nominal value not exceeding 10% of the aggregate nominal value of H Shares in issue as at the date of the passing of such resolution.

The PRC Company Law (to which the Company is subject) provides that a joint stock limited company incorporated in the PRC may not repurchase its shares unless such repurchase is effected for the purpose of (a) reducing its share capital; (b) granting shares as reward to the staff of the company; (c) in connection with a merger between itself and another entity that holds its shares; or (d) the repurchase is made at the request of its shareholders who disagree with shareholders' resolutions in connection with merger or division. The Articles of Association provides that subject to the approval of the relevant regulatory authorities of the PRC and compliance with the Articles of Association, share repurchase may be effected by the Company for the purpose of reducing its share capital, in connection with a merger between itself and another entity that holds its shares or in circumstances permitted by law or administrative regulations of the PRC.

The Listing Rules permit shareholders of a PRC joint stock limited company to grant a general mandate to the Directors to repurchase H shares of such company that are listed on the Stock Exchange. Such mandate is required to be given by way of a special resolution passed by shareholders in general meeting and special resolutions passed by holders of domestic shares and overseas listed foreign invested shares in separate class meetings.

As the H Shares are traded on the Stock Exchange in Hong Kong dollars and the price payable by the Company upon any repurchase of H Shares will, therefore, be paid in Hong Kong dollars, the approval of SAFE is required.

In accordance with the relevant requirements of the Articles of Association applicable to capital reduction, the Company will have to notify its creditors of the passing of such special resolutions and the reduction to the registered capital of the Company that would occur should the Directors decide to exercise the Repurchase Mandate. Such notification has to be given in writing to the Company's creditors within 10 days after the passing of such special resolutions and also by way of publication on three occasions of a press announcement within 30 days after the passing of such special resolutions. Creditors then have a period of up to 30 days after the Company's written notification or if no such notification has been received, up to 90 days after the first publication of the press announcement to require the Company to repay amounts due to them or to provide guarantees in respect of such amounts.

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## LETTER FROM THE BOARD

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Accordingly, approval is being sought from the Shareholders for a general mandate to repurchase H Shares in issue. In accordance with the legal and regulatory requirements described above, the Directors will convene the Annual General Meeting, the Class Meeting for Holders of Domestic Shares and the Class Meeting for Holders of H Shares. At each of such meetings, a special resolution will be proposed to grant to the Directors a general mandate to purchase H Shares in issue on the Stock Exchange with an aggregate nominal value not exceeding 10% of the aggregate nominal value of H Shares in issue as at the date of the passing of such resolution.

The Repurchase Mandate will be conditional upon:

- (i) the special resolution approving the grant of the Repurchase Mandate being approved at each of the Annual General Meeting, the Class Meeting for Holders of Domestic Shares and the Class Meeting for Holders of H Shares;
- (ii) the approval of the relevant PRC regulatory authorities as may be required by the laws, rules and regulations of the PRC being obtained by the Company if appropriate; and
- (iii) the Company not being required by any of its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, in its absolute discretion, repaid or provided guarantee in respect of such amount using internal resource) pursuant to the notification procedure set out in the relevant article of the Articles of Association.

If the conditions are not fulfilled, the Repurchase Mandate will not be exercisable by the Directors.

The Repurchase Mandate would expire on the earlier of:

- (a) the conclusion of the next annual general meeting of the Company following the passing of the relevant special resolution at the Annual General Meeting, the Class Meeting for Holders of Domestic Shares and the Class Meeting for Holders of H Shares;
- (b) the expiration of a period of twelve months following the passing of the relevant special resolution at the Annual General Meeting, the Class Meeting for Holders of Domestic Shares and the Class Meeting for Holders of H Shares; or
- (c) the date on which the authority conferred by the relevant special resolution is revoked or varied by a special resolution of the Shareholders at a general meeting or by holders of H Shares or holders of Domestic Shares at their respective class meetings.

A special resolution will be proposed at the Annual General Meeting, the Class Meeting for Holders of Domestic Shares and the Class Meeting for Holders of H Shares to grant to the Directors the Repurchase Mandate, details of which are set out in the notices of



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## LETTER FROM THE BOARD

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the Annual General Meeting, the Class Meeting for Holders of Domestic Shares and the Class Meeting for Holders of H Shares. The H Shares which may be repurchased pursuant to the Repurchase Mandate shall not exceed 10% of the aggregate nominal value of H Shares in issue of the Company as at the date of passing of the relevant resolutions approving the Repurchase Mandate.

An explanatory statement giving certain information regarding the Repurchase Mandate is set out in the Appendix I to this circular.

### 5. DISTRIBUTION OF FINAL DIVIDEND

The Board has resolved to recommend a final dividend of approximately RMB19,630,000 (inclusive of tax), or RMB0.05 per share for 2014. This proposed dividend will be distributed first from the balance of the profit of the Group for distribution to the Shareholders generated in or before 2007. Any insufficiency will be distributed from the profit for distribution to the Shareholders generated in or after 2008. The Company proposed an ordinary resolution to declare and pay this final dividend at the Annual General Meeting. Final dividend for Domestic Shares will be distributed and paid in RMB whereas dividend for H Shares will be declared in RMB and paid in Hong Kong dollars. The relevant exchange rate will be the closing price of RMB to Hong Kong dollars published by the People's Bank of China one day before the Annual General Meeting. The final dividend will be paid to those Shareholders whose names appear on the Company's register of members at the close of business on 10 June 2015 (the "Record Date"). To determine the identity of the Shareholders entitled to receive the final dividend, the register of holders of H Shares will be closed from 5 June 2015 to 10 June 2015 (both days inclusive) during which no transfer of H Shares will be registered. In order to qualify for entitlement to the proposed final dividend, all transfers of H Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's H Share Registrar, Tricor Tengis Limited at 22/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 4 June 2015. The final dividend is expected to be distributed on 23 July 2015.

Pursuant to the Corporate Income Tax Law of the PRC and its implementing regulations (collectively referred to as the "Corporate Income Tax Law") which took effect on 1 January 2008, the tax rate of the corporate income tax applicable to the income of non-resident enterprise deriving from PRC is 10%. Pursuant to the Corporate Income Tax Law, any Chinese domestic enterprise (including our Company) which pays dividend to a non-resident enterprise shareholder shall withhold corporate income tax at 10% for and pay by the Company on behalf of such shareholder. At the same time, pursuant to the provisions of the Preferential Policy on Profit Earned by Foreign Investors from Foreign Investment Enterprises in the Circular of the Ministry of Finance and the State Administration of Taxation Concerning Several Preferential Policies Relevant to Corporate Income Tax, any profit accumulated and not yet distributed before 1 January 2008 by foreign investment enterprise when distributed to non-resident enterprise in or after 2008, will be exempted from corporate income tax. Any dividend distributed to non-resident enterprises from profit accumulated since 2008 will be subject to corporate income tax.



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## LETTER FROM THE BOARD

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Pursuant to the Notice on Issues Concerning Individual Income Tax Collection and Management after the Repeal of Guo Shui Fa [1993] No. 45 (No. 348, Guo Shui Han [2011]), where the non-resident individual shareholders obtain dividend and bonuses from domestic non-foreign-invested enterprise which issued shares in Hong Kong, individual income tax shall be withheld by the withholding agent according to the domain of “interest, dividends and bonuses”. The non-resident individual shareholders of domestic non-foreign-invested enterprise which issued shares in Hong Kong, shall enjoy the taxation preferences in accordance with the agreements between countries of their origins and China and the regulation on taxation arrangement between the Mainland and Hong Kong (Macau). The related tax rate of dividend as provided by taxation agreement is generally at a rate of 10%. In order to simplify the collection and management of taxation, the individual income tax with a rate of 10% in general will be withheld when dividend is paid by the domestic non-foreign-invested enterprise which issued shares in Hong Kong without making applications. Where the dividend tax rate is not 10%, it will be handled according to the following requirements: (1) for residents of countries which have entered into an agreement with China in respect of a tax rate lower than 10%, the withholding agent may apply for the relevant entitlements hereunder on their behalf. Upon examination and approval by the competent tax authorities, the additional amount of tax withheld will be refunded; (2) for residents of countries which have entered into an agreement with China in respect of a tax rate of 10% or more but less than 20%, the withholding agent shall withhold individual income tax at the agreed tax rate when distributing dividends or bonuses, and no application for approval is needed; (3) for residents of a country or which has not entered into any tax treaties with the PRC and in any other circumstances, the withholding agent shall withhold individual income tax at the tax rate of 20% when distributing dividends and bonuses.

Pursuant to the Notice of Withholding and Payment of Enterprise Income Tax Regarding China Resident Enterprise Paying Dividend to Non-Resident Enterprise Holders of Overseas H-Share (No. 897, Guo Shui Han [2008]) issued by the State Administration of Taxation, any domestic enterprise of PRC which pays dividends to non-resident enterprise shareholders (as defined in the Tax Law) for the year of 2008 and subsequent years shall withhold and pay enterprise income tax at the tax rate of 10%.

For this purpose, any H Shares registered under the name of non-natural persons in the H Share register of members of the Company on 4 June 2015 (Thursday), including HKSCC Nominees Limited, other nominees, trustees or other groups and organizations, will be treated as non-resident enterprise shareholders.

The Company anticipates that all the proposed dividend will be distributed from the balance of the profit of the Group for distribution to the Shareholders generated in or before 2007. Pursuant to the preferential policy of the Corporate Income Tax Law, the Company currently proposes not to withhold 10% corporate income tax and to distribute the final dividend to such non-resident enterprise shareholders at gross amount before corporate income tax. This arrangement is conditional upon obtaining the final approval from the relevant tax authority. If the Company cannot obtain final approval from the relevant tax authorities regarding the exemption of corporate income tax for non-resident enterprise shareholders as mentioned above, the Company will distribute the final dividend to such non-resident enterprise shareholders after withholding corporate income tax of 10% as required by the Corporate Income Tax Law. For individual shareholders who hold the H

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## LETTER FROM THE BOARD

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Shares and whose names appear on the register of members of H Shares (the “Individual H Shareholders”) shall pay individual income tax at a tax rate of 10% upon their receipt of distribution of dividends from the Company, which shall be withheld and paid by the Company on behalf of the Individual H Shareholders.

Shareholders are recommended to consult their taxation advisors for advice on the PRC, Hong Kong and other tax effects with respect to the holding and disposing of H Shares.

The Company will have no liability in respect of any claims arising from any delay in, or inaccurate determination of the status of the shareholders or any disputes over the mechanism of withholding.

### **6. ANNUAL GENERAL MEETING, THE CLASS MEETING FOR HOLDERS OF DOMESTIC SHARES AND THE CLASS MEETING FOR HOLDERS OF H SHARES**

At the Annual General Meeting, resolutions will be proposed to approve, among other matters, (i) the Product Purchase Framework Agreement (including the proposed annual caps); (ii) the grant of the Issue Mandate and the Repurchase Mandate; and (iii) distribution of final dividend. Other than ordinary resolution No. 7 in relation to the Product Purchase Framework Agreement to be proposed at the Annual General Meeting, no Shareholder is required to abstain from voting on the resolutions to be proposed at the Annual General Meeting.

The notices convening the Annual General Meeting, the Class Meeting for Holders of Domestic Shares and the Class Meeting for Holders of H Shares at which the resolutions mentioned above will be proposed are set out on pages 38 to 49 of this circular.

The relevant forms of proxy for use at the Annual General Meeting, the Class Meeting for Holders of Domestic Shares and the Class Meeting for Holders of H Shares are enclosed. Whether or not you are able to attend the respective meetings, you are strongly urged to complete and sign the enclosed form of proxy in accordance with the instructions printed thereon. For holders of H Shares, please return it to the Company’s H Share registrar, Tricor Tengis Limited, 22nd Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong; and for holders of Domestic Shares, the proxy form shall be delivered to the registered office of the Company at No. 18 Andre Avenue, Muping Economic Development Zone, Yantai City, Shandong Province, the PRC as soon as possible but in any event not later than 24 hours before the time appointed for the holding of the relevant meeting(s) or any adjourned meeting(s) (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting(s) or any adjourned meeting(s) should you so wish.

If you intend to attend the Annual General Meeting in person or by proxy, you are required to complete and return the reply slip to the principal place of business of the Company in Hong Kong (for holders of H Shares) or to the registered office of the Company (for holders of Domestic Shares) on or before Tuesday, 5 May 2015.

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## LETTER FROM THE BOARD

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### 7. CLOSURE OF H SHARE REGISTER OF MEMBERS OF THE COMPANY

The register of holders of H Shares will be closed from 26 April 2015 (Sunday) to 26 May 2015 (Tuesday) (both days inclusive) during which period no transfer of H Shares will be registered. In order to qualify to attend and vote in the Annual General Meeting and the Class Meeting for Holders of H Shares, all transfers of H Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's H Share registrar, Tricor Tengis Limited, at 22nd Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 24 April 2015 (Friday).

### 8. VOTING BY POLL

In accordance with the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. As such, the resolutions set out in the notices convening the Annual General Meeting, the Class Meeting for Holders of Domestic Shares and the Class Meeting for Holders of H Shares will be voted by poll.

### 9. RECOMMENDATION

The Directors consider that the resolutions to be put before the Annual General Meeting, the Class Meeting for Holders of Domestic Shares and the Class Meeting for Holders of H Shares are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that the Shareholders, holders of Domestic Shares and holders of H Shares to vote in favour of all the aforesaid resolutions to be proposed at the Annual General Meeting, the Class Meeting for Holders of Domestic Shares and the Class Meeting for Holders of H Shares (as the case may be).

The Directors also draw your attention to the letter from the Independent Board Committee and a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders which are set out on pages 18 to 25 of this circular. The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, considers that the transactions under the Product Purchase Framework Agreement are in the usual and ordinary course of business of the Company, and terms of which are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Independent Board Committee further considers that the proposed annual caps for the transactions under the Product Purchase Framework Agreement for the three years ending 31 December 2017 are fair and reasonable. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of ordinary resolution No. 7 to be proposed at the Annual General Meeting.

### 10. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular.

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

\* For identification purpose only

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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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)

10 April 2015

*To the Independent Shareholders*

Dear Sir or Madam,

#### **CONTINUING CONNECTED TRANSACTION PRODUCT PURCHASE FRAMEWORK AGREEMENT**

We refer to the circular of the Company (the “**Circular**”) dated 10 April 2015 despatched to the Shareholders of which this letter forms a part. Unless the context requires otherwise, terms and expressions defined in the Circular shall have the same meanings in this letter.

We have been appointed to advise the Independent Shareholders on whether the terms of the Product Purchase Framework Agreement (including the proposed annual caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Alliance Capital Partners Limited has been appointed to advise the Independent Board Committee and Independent Shareholders in respect of the terms of the Product Purchase Framework Agreement and the transactions contemplated thereunder.

We wish to draw your attention to the letter from the Board set out on pages 5 to 17 of the Circular and the letter from the Independent Financial Adviser set out on pages 19 to 25 of the Circular.

Having considered the advice given by Alliance Capital Partners Limited, we are of the opinion that the terms of the Product Purchase Framework Agreement (including the proposed annual caps) are on normal commercial terms and are fair and reasonable and the entering into of the Product Purchase Framework Agreement with President is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of such ordinary resolution to be proposed at the Annual General Meeting.

Yours faithfully,

For and on behalf of the Independent Board Committee

**Yantai North Andre Juice Co., Ltd.\***

**Gong Fan**

*Independent Non-executive  
Director*

**Chow Kam Hung**

*Independent Non-executive  
Director*

**Li Tong Ning**

*Independent Non-executive  
Director*

\* For identification purpose only

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the text of a letter received from Alliance Capital Partners Limited setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of the Product Purchase Framework Agreement between the Company and President for inclusion in this circular.*

Alliance Capital Partners Limited  
Unit 318, 3/F, Shui On Centre  
6-8 Harbour Road  
Wanchai  
Hong Kong

10 April 2015

*To the Independent Board Committee and the Independent Shareholders*

Dear Sirs,

### **CONTINUING CONNECTED TRANSACTIONS – PRODUCT PURCHASE FRAMEWORK AGREEMENT**

#### **INTRODUCTION**

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the continuing connected transactions under the Product Purchase Framework Agreement dated 12 March 2015 and amended by a supplemental agreement dated 10 April 2015 between the Company and President, details of which are set out in the letter from the Board contained in the circular dated 10 April 2015 issued by the Company to Shareholders (the “**Circular**”), of which this letter forms part. Capitalized terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

As at the Latest Practicable Date, President held 63,746,040 domestic shares of the Company, representing approximately 16.23% of its issued share capital, and 237,000 H shares of the Company, representing approximately 0.06% of the total issued share capital of the Company, President is a substantial shareholder and a connected person under the Listing Rules. As such, transactions under the Product Purchase Framework Agreement between the Group and President constitute continuing connected transactions of the Company. As the relevant percentage ratio in respect of the transactions amount under the Product Purchase Framework Agreement (other than the profit ratio) exceeds 5%, the transactions contemplated thereunder constitute non-exempt continuing connected transactions under Rule 14A.35 of the Listing Rules and are subject to the requirements of reporting, announcement, independent Shareholders’ approval and annual review under the Listing Rules.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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An Independent Board Committee, comprising the independent non-executive Directors, namely Messrs. Gong Fan, Chow Kam Hung and Li Tong Ning, has been established by the Company to advise the Independent Shareholders on whether the terms of the Product Purchase Framework Agreement and the proposed annual caps for the three years to 31 December 2017 are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on statements, information and representations referred to in the Circular as well as information and representations provided to us by the Directors. We have assumed that all such information and representations provided by the Directors, for which they are solely responsible, are true and accurate at the time when they were made. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to doubt the truth and accuracy of the information and representations provided to us and have been advised by the Directors that no material facts have been withheld or omitted from the information provided and/or referred to in the Circular. We consider that we have reviewed sufficient information to reach an informed view and to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our advice. We have not, however, for the purpose of this exercise conducted any independent verification of the information included in the Circular and/or those provided to us by the management of the Company nor have we conducted any form of investigation into the businesses, affairs of the Company, its subsidiaries or President.

### **PRINCIPAL FACTORS AND REASONS CONSIDERED**

In formulating our opinion in respect of the Product Purchase Framework Agreement (including the proposed annual cap amounts), we have taken into account the following principal factors and reasons:

#### **Background to and reasons for the Product Purchase Framework Agreement**

The Company and its subsidiaries (the Group) is primarily engaged in the manufacture and sale of condensed juice concentrates and their related products.

On 30 March 2012, the Company (as supplier) and President (as purchaser) entered into the Previous Product Purchase Framework Agreement whereby the Company agreed to supply to President fruit juices (including apple juice and pear juice) for the period between 1 January 2012 and 31 December 2014. Under that agreement, the Company agreed to sell juice products to President in first priority in the event that the purchase terms were the same as those of third parties. However, the Group agreed not to sell the products to President on terms less favourable than those offered to third parties. On the other hand, President was entitled to purchase products from any third parties if a third party could sell the same or similar products at a more favourable price than the price available under the Previous Product Purchase Framework Agreement. The Previous Product Purchase Framework Agreement and the annual cap amounts relating to such agreement for 2012 to 2014 were approved at the Company's Special General Meeting on 26 November 2012.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As the Previous Product Purchase Framework Agreement and the Supplemental Agreement expired on 31 December 2014, the Company and President agreed to renew the transaction terms and entered into the Product Purchase Framework Agreement on 12 March 2015, whereby the Company agreed to supply and President agreed to purchase the Group's products (including but not limited to different kind of juices) and to regulate such product purchases between the Group and President for the three years to 31 December 2017. The Company and President entered into a supplemental agreement to the Product Purchase Framework Agreement on 10 April 2015 to amend the term in relation to the pricing policy. All other terms set out in the Product Purchase Framework Agreement remain unchanged.

For the past three years to 31 December 2014, the Group's revenue from manufacturing and sales of condensed fruit juice and related products were approximately RMB 1,225,500,000, RMB 893,400,000, RMB 844,500,000 respectively.

Of the above revenue, sales to overseas countries (including North America, Asia, Europe, Oceania and Africa) during the three years to 2014 amounted to RMB 884,300,000, RMB 644,800,000 and RMB 581,200,000 respectively whereas domestic sales were RMB 341,200,000, RMB 248,600,000 and RMB 263,300,000 respectively. We note that domestic sales, as a percentage of the Group's total revenue, had increased from approximately 27.8% from 2012 to 31.2% in 2014. In other words, domestic sales have become increasingly important to the Group.

For the three years to 31 December 2014, sales to President amounted to approximately RMB 53,000,000, RMB 53,000,000 and RMB 76,000,000 respectively, represented approximately 15.5%, 21.3% and 28.9% of the Group's total domestic sales. As such, it is evident that sales to President for the past 3 years to 2014 have become increasingly important as well.

Increasing sales of the Group's products domestically have the advantage of lower the Group's freight cost and foreign exchange risks, compared to sales of the same products overseas. In addition, the supply of the Group's products to domestic beverage manufacturers such as President allows the Group to expand its market share in the domestic market and to broaden its sales channels. Consequently, we concur with the Directors' view that the Product Purchase Framework Agreement is beneficial to the Group in raising the proportion of domestic sales, which would in turn increase the Group's domestic revenue and profits.

Having considered (i) domestic sales have become increasingly important to the Group in terms of growth during the past few years; (ii) the Company has a long established business relationship with President which is now one of the Group's major customers in China; (iii) the continuing connected transactions under the Product Purchase Framework Agreement are in the Group's ordinary and usual course of business; and (iv) the terms of the continuing connected transactions under the Product Purchase Framework Agreement and the basis for determining the cap amounts are fair and reasonable as discussed below, we are of the view that the Product Purchase Framework Agreement and the continuing connected transactions contemplated thereunder are in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### **Principal terms of the Product Purchase Framework Agreement**

The table below summarizes the principal terms of the Product Purchase Framework Agreement:

Date:	12 March 2015
Parties:	President (as purchaser) and the Company (as supplier)
Products:	Products to be supplied by the Group to President shall include but not limited to different kinds of juice, including apple juice and pear juice.
Term:	1 January 2015 to 31 December 2017
Pricing Policy:	Prices of products to be supplied by the Company shall be determined according to Market Price as defined in the letter from the Board in the Circular.

For the purpose of our due diligence, we have reviewed the continuing connected transactions between the Group and President for the three years to 31 December 2014; in particular, quantities and pricing of such transactions as well as payment terms and have them compared with those between the Group and other independent third party customers. We found that pricing and terms of sales to President over the three year period to 2014 were no less favorable to the Group than those offered to independent purchasers of the Group's products.

As (i) the terms of the continuing connected transactions between the Group and President during the period under review (i.e. three years to 31 December 2014) were no less favorable than those offered by the Group to other independent third party purchasers; (ii) the Product Purchase Framework Agreement has stipulated that prices of the products will be determined by reference to prevailing market prices and in accordance with the pricing policies for continuing connected transactions of the Group; and (iii) the continuing connected transactions will be subject to annual review by Independent Board Committee and the Company's auditors with a view to confirm that these transactions are indeed conducted in accordance with the terms of the framework agreement, on terms which are no less favorable than those offered to other independent third parties and in accordance with the pricing policy of the Company, we concur with the Directors that the terms of the Product Purchase Framework Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

### **Pricing policy relating to Product Purchase Framework Agreement**

We understand the sales department of the Company regularly conducts market research and gathers relevant information to ascertain the prevailing market price of different juice products. Such market price information is updated on a daily basis.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We also note that the management of the Group adopts the following internal control procedures to ensure that transactions with President are conducted in accordance with the pricing policy as set out by the Company and on terms that are no less favourable than those offered to independent third party customers:

- (i) When the sales department of the Company receives a sales quotation request from President, the sales person will make reference to the historic market prices (“Market Price”) obtained from various independent sources including newspaper and the internet as well as from recent transacted prices with independent third party customers (“Historical Price”).

In order to determine Market Price, the Company’s sales department will ascertain prices offered by other independent third parties through obtaining quotation for comparable volume and similar juice products from at least two independent third parties.

So far as Historical Price is concerned, the sales person will review past sales record with other independent third party customers during the past three months before quoting prices to President, with a view to ensure that such quotation will be the higher of the Market Price and the Historical Price. One gathered, the above information and quotation will be sent to the Company’s sales director for approval.

- (ii) The sales director of the Company is tasked to review and confirm the price for every new order from President, to ensure that the transactions with President are consistent with prevailing market prices of similar juice products and are no less favourable compared to prices of similar products offered to independent third party customers. Upon the signing of each sales contract with President, all related sales documents with President will be sent to Group’s Finance Director for review and approval.

We are of the view that the above internal control procedures adopted by the Group is sufficient to ensure transactions with President will be no less favourable compared to those offered to other independent third party customers.

In assessing the adequacy of the internal control system, we had obtained and reviewed sample copies of invoices of past transactions between the Group and its customers including President. Based on our review, we note that pricing of the products sold by the Group to President were on normal commercial terms and on terms which were no less favourable than those offered to the independent third party customers.

Having considered the above mentioned internal control procedures adopted by the Company to ensure the prices offered to President are no less favourable than those offered to other independent customers, we are of the view that the internal control system currently adopted by the Group is adequate.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### Cap Amounts

For the three years to 31 December 2014, the Group sold a total of 5,606 tons, 4,976 tons and 6,915 tons of apple and pear juices for an aggregate amount of approximately RMB 53,000,000, RMB 53,000,000 and RMB 76,000,000 respectively. We note the quantity in terms of tonnage sold to President during the above three years period recorded an average growth rate of approximately 13.8% p.a.

We have reviewed the proposed orders from President and note that the Company has been in discussion with President relating to its demand for pear and other juices in 2015 and has been given the understanding that the demand of such juices is expected to increase by approximately 12% in terms of tonnage as compared to those achieved in 2014.

For the three years to 31 December 2017, the Directors projected that a total of 7,740 tons, 8,550 tons and 9,450 tons of juices would be sold to President, representing an increase of 11.9%, 10.5% and 10.5% p.a., or an average growth rate of approximately 11% p.a. We note the projected average annual growth rate of sales, in terms of tonnage, to President from 2015 to 2017 is less than the historical average of 13.8% p.a. for the past three years. On that basis, we are of the opinion that the projected juices quantity to be sold to President for the three years to 31 December 2017 is arrived at after due and careful consideration and is fair and reasonable.

The Proposed annual cap amounts for the three years to 31 December 2017 are calculated based on projected juices sales volume (in terms of tonnage) and expected sales prices to President. The Directors have indicated that they expect sales prices of juice products to increase slightly by approximately 1% for each of 2015, 2016 and 2017 due to inflationary pressures in China. However, we are of the opinion that inflationary pressure as mentioned by the Directors may not have a direct bearing to juices market prices in the future as such prices are more affected by weather, domestic competition as well as international market prices.

Based on existing average market price for both apple and pear juices of approximately RMB11,100 per ton, the Directors estimated that the annual caps for the continuing connected transactions for the three years to 31 December 2017 would be RMB 86,000,000, RMB 95,000,000 and RMB 105,000,000 respectively. Given juice prices are more affected by weather, domestic competition as well as international market prices, it would be impractical to estimate market prices of juices in the future. Consequently, we are of the view that the Directors have used current market prices to estimate the cap amounts with respect to Group's sales to President for 2015 to 2017. We concur with the Directors that the use of current market prices is the most objective method to determine the cap amounts for the period mentioned above.

In this regard, we are of the opinion that the basis for determining the proposed annual cap amounts with respect to sales of the Group's juice products to President are fair and reasonable.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### RECOMMENDATION

Having considered the above principal factors and reasons, we consider that (i) the entering of the Product Purchase Framework Agreement is in the ordinary and usual course of business of the Group, on normal commercial terms (or terms no less favourable to the Group than terms available to independent third party customers), and on terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (ii) the basis for determining the proposed annual cap amounts are fair and reasonable. Consequently, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolution in relation to the Product Purchase Framework Agreement at the upcoming Annual General Meeting.

Yours faithfully,  
For and on behalf of  
**Alliance Capital Partners Limited**  
**David Tsang**  
*SFC CE No. ACH258*

*Mr. David Tsang is a licensed person registered with the Securities and Futures Commission and a responsible officer of Alliance Capital Partners Limited to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and has more than 20 years of experience in investment banking industry.*

*This explanatory statement contains all the information required to be given to the Shareholders of the Company pursuant to Rule 10.06 of the Listing Rules in connection with the proposed Repurchase Mandate, which is set out as follows:*

**(i) Listing Rules**

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions. Repurchases must be funded out of funds legally available for the purpose and in accordance with the company's constitutional documents and the applicable laws of the jurisdiction in which the company is incorporated or otherwise established. Any premium payable on a repurchase over the par value of the shares may be effected out of book balance of distributable profits of the Company or proceeds of a new issue of shares made for such purpose.

**(ii) Reasons for Repurchase of H Shares**

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase H Shares in the market. Such repurchase may, depending on the market conditions and funding arrangement at the time, lead to an enhancement of the net assets value and/or earnings per Share of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

**(iii) Registered Capital**

As at the Latest Practicable Date, the registered capital of the Company is RMB 392,600,000 comprising 142,064,000 H Shares of RMB1.00 each and 250,536,000 Domestic Shares of RMB1.00 each.

**(iv) Exercise of the Repurchase Mandate**

Subject to the passing of the special resolution approving the grant of the Repurchase Mandate at each of the Annual General Meeting, the Class Meeting for Holders of Domestic Shares and the Class Meeting for Holders of H Shares, the Directors will be granted the Repurchase Mandate until the end of the Relevant Period (as defined in the special resolution in each of the notices of Annual General Meeting, the Class Meeting for Holders of Domestic Shares and the Class Meeting for Holders of H Shares).

Additionally, the exercise of the Repurchase Mandate is subject to the approvals of the relevant PRC regulatory authorities as required by the laws, rules and regulations of the PRC being obtained and the Company not being required by any of its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, in its absolute discretion, repaid or provided guarantee in respect of such amount using internal resource) pursuant to the notification procedure set out in the relevant article

of the Articles of Association. The notification to the creditors will not be issued until the Annual General Meeting, the Class Meeting for Holders of Domestic Shares and the Class Meeting for Holders of H Shares to be convened have approved the Repurchase Mandate by way of special resolutions.

The exercise in full of the Repurchase Mandate (on the basis of 142,064,000 H Shares in issue as at the Latest Practicable Date and no H Shares will be allotted and issued or repurchased by the Company on or prior to the date of the Annual General Meeting, the Class Meeting for Holders of Domestic Shares and the Class Meeting for Holders of H Shares) would result in a maximum of 14,206,400 H Shares being repurchased by the Company during the Relevant Period, being the maximum of 10% of the total H Shares in issue as at the date of passing the relevant resolutions at the Annual General Meeting, the Class Meeting for Holders of Domestic Shares and the Class Meeting for Holders of H Shares.

The Repurchase Mandate would expire on the earlier of:

- (a) the conclusion of the next annual general meeting of the Company following the passing of the relevant special resolution at the Annual General Meeting, the Class Meeting for Holders of Domestic Shares and the Class Meeting for Holders of H Shares;
- (b) the expiration of a period of twelve months following the passing of the relevant special resolution at the Annual General Meeting, the Class Meeting for Holders of Domestic Shares and the Class Meeting for Holders of H Shares; or
- (c) the date on which the authority conferred by the relevant special resolution is revoked or varied by a special resolution of the Shareholders at a general meeting or by holders of H Shares or holders of Domestic Shares at their respective class meetings.

**(v) Funding of Repurchases**

In repurchasing its H Shares, the Company intends to apply funds from the Company's internal resources legally available for such purpose in accordance with the Articles of Association and the applicable laws, rules and regulations of the PRC.

The Company is empowered by the Articles of Association to purchase its H Shares. Any repurchases by the Company may only be made out of either the funds of the Company that would otherwise be available for dividend or distribution or out of the proceeds of a new issue of shares made for such purpose. Under the PRC laws, H Shares so repurchased will be treated as cancelled and the Company's registered capital will be reduced by an amount equivalent to the aggregate nominal value of the H Shares so cancelled. The Company may not purchase securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

Based on the financial position disclosed in the recently published audited accounts for the year ended 31 December 2014, the Directors consider that there will not be any material adverse impact on the working capital or gearing position of the Company in the event that the Repurchase Mandate is to be exercised in full at any time during the proposed repurchase period. The number of H Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then prevailing and in the best interests of the Company.

**(vi) Status of Repurchased H Shares**

The Listing Rules provide that the listing of all the H Shares repurchased by the Company shall automatically be cancelled and the relevant share certificates shall be cancelled and destroyed. Under the PRC laws, the H Shares repurchased by the Company will be cancelled and the Company's registered capital will be reduced by an amount equivalent to the aggregate nominal value of the H Shares so cancelled.

**(vii) H Shares Prices**

The highest and lowest prices at which the H Shares have been traded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

	<b>H Share prices</b>	
	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2014</b>		
April	2.28	1.93
May	1.99	1.90
June	2.30	1.89
July	3.13	2.38
August	2.83	2.61
September	2.80	2.65
October	2.78	2.64
November	2.80	2.70
December	2.82	2.66
<b>2015</b>		
January	2.84	2.70
February	2.79	2.61
March	2.65	2.52
April(up to the Latest Practicable Date)	2.55	2.48

**(viii) Substantial Shareholders**

As at the Latest Practicable Date, the interests of substantial Shareholders, as defined under the Listing Rules, were as follows:

<b>Name of substantial shareholder</b>	<b>Class of Shares</b>	<b>Number of Shares held</b>	<b>Approximate percentage of total share capital</b>
Wang An and parties acting in concert with him	Domestic Shares H Shares	186,789,960 34,771,380	47.58% 8.86%
Uni-President Enterprises Corp.	Domestic Shares H Shares	63,746,040 237,000	16.23% 0.06%

**(ix) General Information**

- (a) None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates, have any present intention to sell any Shares to the Company or any of its subsidiaries under the Repurchase Mandate if such is approved by the Shareholders.
- (b) The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to repurchase the H Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of PRC.
- (c) No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he has a present intention to sell H Shares to the Company or its subsidiaries, or has undertaken not to do so, if the Repurchase Mandate is granted and is exercised.

**(x) Takeovers Code**

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of Takeovers Code. As a result, a shareholder or group of shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

Assuming that the substantial shareholders do not dispose of its Shares, if the Repurchase Mandate was exercised in full, the percentage shareholdings of the substantial shareholders before and after such repurchase would be as follows:

<b>Name of substantial shareholder</b>	<b>Before repurchase</b>	<b>After repurchase</b>
Wang An and parties acting in concert with him	56.43%	58.55%
Uni-President Enterprises Corp.	16.30%	16.91%

Such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

Assuming that there is no issue of Shares between the Latest Practicable Date and the date of a repurchase, an exercise of the Repurchase Mandate whether in whole or in part will not result in less than the relevant prescribed minimum percentage of the Shares being held by the public as required by the Stock Exchange. The Directors have no intention to exercise the Repurchase Mandate to an extent which may result in a public shareholding of less than such minimum percentage.

The Directors are not aware of any consequences that may arise under the Takeovers Code and/or any similar applicable law of which the Directors are aware, if any, as a result of any repurchases made under the Repurchase Mandate.

**(xi) Share Repurchases Made by the Company**

The Company had not repurchased any of its H Shares (whether on the Stock Exchange or otherwise) during the six months period preceding the Latest Practicable Date.



**RESPONSIBILITY STATEMENT**

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

**DISCLOSURE OF INTERESTS****Directors', Supervisors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company**

As at the Latest Practicable Date, the interests and short positions of the Directors, Supervisors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were (a) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); and (b) required to be recorded in the register kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Appendix 10 of the Listing Rules were as follows:

Name of Directors	Class of Shares	Number of shares held	Capacity	Type of Interest	Approximate percentage of Domestic Shares/H Shares	Approximate percentage of total share capital
Wang An ( <i>Note 1</i> )	Domestic Shares	121,010,501 (L)	Interest of controlled corporations ( <i>Note 2</i> )	Personal	48.30% (L)	30.82% (L)
Liu Tsung-Yi	H Shares	195,400 (L)	Beneficial owner	Personal	0.14% (L)	0.05% (L)

*Notes:* The letter "L" denotes a long position.

- (1) As at the Latest Practicable Date, Mr. Wang An, a Director, controlled (a) 90% interest in China Pingan Investment Holdings Limited, which held 46,351,961 Domestic Shares, representing 11.81% interest in the total issued share capital of the Company; (b) 90% interest in Shandong Andre Group Co., Ltd. (山東安德利集團有限公司), which held 74,658,540 Domestic Shares, representing 19.02% interest in the total issued share capital of the Company.
- (2) Mr. Wang An was deemed to be interested in these Domestic Shares through his interests in China Pingan Investment Holdings Limited and Shandong Andre Group Co., Ltd. (山東安德利集團有限公司).

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, Supervisors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are (a) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); and (b) required to be recorded in the register kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Appendix 10 of the Listing Rules.

### Substantial Shareholders' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company

As at the Latest Practicable Date, so far as the Directors are aware, the following persons (other than the Directors, Supervisors and chief executive of the Company) had interests and short positions in the Shares, underlying Shares and debentures of the Company which were discloseable under Divisions 2 and 3 of Part XV of the SFO and recorded in the register kept by the Company pursuant to section 336 of the SFO:

Name of shareholders	Class of shares	Number of shares held	Capacity	Type of Interest	Approximate percentage of Domestic Shares/ H Shares	Approximate percentage of total share capital
China Pingan Investment Holdings Limited	Domestic Shares	46,351,961 (L) (Note 1)	Beneficial owner	Corporate	18.50% (L)	11.81% (L)
Shandong Andre Group Co., Ltd.*	Domestic Shares	74,658,540 (L) (Note 2)	Beneficial owner	Corporate	29.80% (L)	19.02% (L)
Donghua Fruit Industry Co., Ltd.	Domestic Shares	65,779,459 (L) (Note 3)	Beneficial owner	Corporate	26.26% (L)	16.75% (L)
Uni-President Enterprises Corp.	Domestic Shares	63,746,040 (L) (Note 4)	Interests of controlled corporations (Note 5)	Corporate	25.44% (L)	16.23% (L)
	H Shares	237,000 (L)	Beneficial owner (Note 6)	Corporate	0.17% (L)	0.06% (L)
Norges Bank	H Shares	12,390,500 (L)	Beneficial owner	Corporate	8.72% (L)	3.16% (L)
Mitsui & Co., Ltd.	H Shares	21,340,000 (L) (Note 7)	Beneficial owner	Corporate	15.02% (L)	5.44% (L)

**APPENDIX II**
**GENERAL INFORMATION**

Name of shareholders	Class of shares	Number of shares held	Capacity	Type of Interest	Approximate percentage of Domestic Shares/ H Shares	Approximate percentage of total share capital
Citigroup Inc.	H Shares	11,603,500 (L)	Custodian corporation/ approved lending agent	Corporate	8.17% (L)	2.96% (L)
		11,603,500 (P)			8.17% (P)	2.96% (P)
HSBC Global Asset Management (Hong Kong) Limited (Formerly known as HSBC Investments (Hong Kong) Limited)	H Shares	7,808,500 (L)	Investment manager	Corporate	5.50% (L)	1.99% (L)
Hongan International Investment Co. Ltd.	Domestic Shares	65,779,459 (L)	Interest of controlled corporations	Corporate	26.26% (L)	16.75% (L)
	H Shares	34,771,380 (L)	Beneficial owner	Corporate	24.48% (L)	8.86% (L)
Zhang Shaoxia	Domestic Shares	121,010,501 (L)	Interest of spouse (Note 8)	Personal	48.30% (L)	30.82% (L)
Wang Meng	Domestic Shares	65,779,459 (L)	Interest of controlled corporations (Note 9)	Personal	26.26% (L)	16.75% (L)
	H Shares	34,771,380 (L)	Interest of controlled corporations (Note 10)	Personal	24.48% (L)	8.86% (L)

*Notes:*

The letter “L” denotes a long position. The letter “P” denotes interests in a lending pool.

- (1) Mr. Wang An, a Director, was deemed to be interested in these Domestic Shares through his 90% interest in China Pingan Investment Holdings Limited.
- (2) Mr. Wang An, a Director, was deemed to be interested in these Domestic Shares through his 90% interest in Shandong Andre Group Co., Ltd.\* (山東安德利集團有限公司).

- (3) The long position in 65,779,459 Domestic Shares was directly held by Donghua Fruit Industry Co., Ltd.. Based on the information provided by Donghua Fruit Industry Co., Ltd., Hongan International Investment Co, Ltd. and Ms. Wang Meng were deemed to be interested in these 65,779,459 Domestic Shares.
- (4) The long position in 63,746,040 Domestic Shares was held by Uni-President China Holdings Ltd., a non wholly-owned subsidiary of Uni-President Enterprises Corp. (統一企業股份有限公司), through its two wholly-owned subsidiaries, namely, Chengdu President Enterprises Food Co., Ltd. (成都統一企業食品有限公司), which held 42,418,360 Domestic Shares, and Guangzhou President Enterprises Co., Ltd. (廣州統一企業有限公司), which held 21,327,680 Domestic Shares.
- (5) Pursuant to Part XV of the SFO, Uni-President Enterprises Corp. (統一企業股份有限公司) was deemed to be interested in such 63,746,040 Domestic Shares. The 63,746,040 Domestic Shares were held by a series of controlled corporations of Uni-President Enterprises Corp. (統一企業股份有限公司), of which 42,418,360 Domestic Shares, representing approximately 10.80% of the total issued share capital of the Company, were held directly by Chengdu President Enterprises Food Co., Ltd. (成都統一企業食品有限公司) and 21,327,680 Domestic Shares, representing approximately 5.43% of the total issued share capital of the Company, were held directly by Guangzhou President Enterprises Co., Ltd. (廣州統一企業有限公司).
- (6) These H Shares are beneficially held by Uni-President China Holdings Ltd..
- (7) After the capitalization issue of shares by the Company in 2007, the number of H Shares held by Mitsui & Co., Ltd. was adjusted from 97,000,000 H Shares to 213,400,000 H Shares. Upon the share consolidation of the Company in January 2013, the number of H Shares held by Mitsui & Co., Ltd was further adjusted to 21,340,000 H Shares.
- (8) 121,010,501 Domestic Shares were held by Mr. Wang An, the husband of Ms. Zhang Shaoxia, therefore Ms. Zhang Shaoxia was deemed to be interested in these shares.
- (9) Ms. Wang Meng indirectly held 100% of the issued share capital of Donghua Fruit Industry Co., Ltd., which in turn held 65,779,459 Domestic Shares. Therefore Ms. Wang Meng was deemed to be interested in these shares.
- (10) Ms. Wang Meng directly held the entire issued share capital of Hongan International Investment Co., Ltd., which in turn held 34,771,380 H Shares. Therefore, Ms. Wang Meng was deemed to be interested in these shares.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person who had an interest or short position in the shares or underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is expected, directly or indirectly, to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group.

Wang An, an executive Director, is a director of China Pingan Investment Holdings Limited and Shandong Andre Group Co., Ltd., respectively.

Liu Tsung-Yi, the non-executive Director, is the directors and/or supervisors and/or general manager of the group members of Uni-President Enterprises Corp., amongst which Tait Marketing and Distribution Co., Ltd. is a company listed on the Taiwan Gretai Securities Market.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any Director who is also a director or employee of a company which has an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO.

**MATERIAL LITIGATION**

As at the Latest Practicable Date, the Directors were not aware of any litigation or claim of material importance pending or threatened against any member of the Group.

**COMPETING INTEREST**

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors, the management shareholders of the Company, substantial Shareholders and their respective close associates had any interest in a business which competed or might compete with the businesses of the Group or had or might have any other conflicts of interest with the Group.

**SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors or Supervisors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or terminable by the employer within a year without payment of any compensation (other than statutory compensation)).

**MISCELLANEOUS**

- (a) The registered office of the Company is at No. 18, Andre Avenue, Muping Economic Development Zone, Yantai City, Shandong Province, the PRC.
- (b) The Company's principal place of business in Hong Kong is at Room 1505, Wheelock House, 20 Pedder Street, Central, Hong Kong.
- (c) The qualified accountant and the company secretary of the Company is Miss Ng Man Yee, who is a fellow member of the Association of Chartered Certified Accountants, Chartered Accountant of the Institute of Chartered Accountants in England and Wales and Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.
- (d) The compliance officer of the Company is Mr. Zhang Hui who is also an executive Director.
- (e) The English text of this circular and the proxy form shall prevail over their respective Chinese text in the case of inconsistency.

**MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2014, the date to which the latest published audited consolidated financial statements of the Group were made up.

**DIRECTORS' INTERESTS IN ASSETS AND/OR CONTRACTS AND OTHER INTERESTS**

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, the Company or any of its subsidiaries since 31 December 2014, the date of which the latest published accounts of the Group were made up.

No contract or arrangement in which a Director was materially interested and which was significant in relation to the business of the Group subsisted as at the Latest Practicable Date.

**CONSENT AND QUALIFICATION OF EXPERT**

The following is the qualification of the professional adviser who has given the Company opinions and provided advices referred to and contained in this circular:

<b>Name</b>	<b>Qualifications</b>
Alliance Capital Partners Limited	A licensed corporation under the SFO to engage in Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, the above expert was not beneficially interested in the share capital of any member of the Group and did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any direct or indirect interest in any asset which had been, since 31 December 2014, being the date to which the latest audited financial statements of the Group were made up, acquired, or disposed of by, or leased to, or were proposed to be acquired, or disposed of by, or leased to, any member of the Group.

The above expert has given on 10 April 2015 and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter, report and references to its names included in this circular in the form and context in which it is included.

**DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the principal place of business of the Company in Hong Kong at Room 1505, Wheelock House, 20 Pedder Street, Central, Hong Kong during normal business hours from up to the date which is 14 days from the date of this circular:

- (a) the Product Purchase Framework Agreement;

- (b) the letter of recommendation dated 10 April 2015 from the Independent Board Committee to the Independent Shareholders, the text of which is set out on page 18 of this circular;
- (c) the letter of advice dated 10 April 2015 from Alliance Capital Partners Limited to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 19 to 25 of this circular;
- (d) the written consent of Alliance Capital Partners Limited referred to in this Appendix;
- (e) the Articles of Association; and
- (f) this circular.

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## NOTICE OF ANNUAL GENERAL MEETING

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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)

#### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “AGM”) of Yantai North Andre Juice Co., Ltd.\* (烟台北方安德利果汁股份有限公司) (the “Company”) will be held at 2nd Floor, No. 18 Andre Avenue, Muping Economic Development Zone, Yantai City, Shandong Province, the PRC at 10:00 a.m. on Tuesday, 26 May 2015 to consider and, if though fit, pass the following resolutions (unless otherwise specified, the terms used in this notice shall have the same meanings as defined in the circular dated 10 April 2015 (the “Circular”)):

#### ORDINARY RESOLUTIONS

1. To consider and approve the annual report of the Company for the year ended 31 December 2014.
2. To consider and approve the report of the Board for the year ended 31 December 2014.
3. To consider and approve the report of the supervisory committee of the Company for the year ended 31 December 2014.
4. To consider and approve the profit distribution plan for the year ended 31 December 2014 and authorization to the Board to distribute to the Shareholders a total cash dividend of RMB19,630,000 (tax inclusive) or cash dividend of RMB0.05 for each share (tax inclusive).
5. To consider and approve (if appropriate) the resolution in relation to the remuneration of Directors and Supervisors for the year ended 31 December 2015.
6. To consider and approve the resolution in relation to re-appointment of KPMG Huazhen as the external auditors of the Company for the year ended 31 December 2015 and authorization to the Board to determine their remuneration.
7. To consider and approve the resolution in relation to the continuing connected transactions under the Product Purchase Framework Agreement and the proposed annual caps for each of the three years ending 2017, details of which are set out in the Circular.

\* For identification purpose only



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## NOTICE OF ANNUAL GENERAL MEETING

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### SPECIAL RESOLUTIONS

8. To consider and pass the following resolution:

**THAT:**

- (1) the Board be and is hereby granted an unconditional general mandate to issue, allot and/or deal with additional shares in the capital of the Company (whether Domestic Shares or H Shares) and to make or grant offers, agreements and options in respect thereof, subject to the following conditions:
  - (a) such mandate shall not extend beyond the Relevant Period save that the Board may during the Relevant Period make or grant offers, agreements or options which might require the exercise of such powers after the end of the Relevant Period;
  - (b) the aggregate nominal amount of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Board shall not exceed:
    - i. 20% of the aggregate nominal amount of the Domestic Shares in issue; and/or
    - ii. 20% of the aggregate nominal amount of the H Shares in issue; in each case as at the date of the passing of this resolution; and
  - (c) the Board will only exercise its power under such mandate in accordance with the PRC Company Law and the Listing Rules or other applicable laws, rules and regulations of other government or regulatory bodies and only if all necessary approvals from the China Securities Regulatory Commission and/or other relevant PRC government authorities are obtained;
- (2) contingent on the Board resolving to issue shares pursuant to paragraph (1) of this resolution, the Board be and is hereby authorized:
  - (a) to approve, execute and do or procure to be executed and done all such documents, deeds and things as it may consider necessary in connection with the issue of such new Shares, including, without limitation, determining the time and place of issue, making all necessary applications to the relevant authorities, and entering into underwriting agreement(s) (or any other agreements);
  - (b) to determine the use of proceeds and to make necessary filings and registration with the PRC, Hong Kong and other relevant authorities; and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (c) to make such amendments to the Articles of Association as it may deem appropriate for the increase of the registered capital of the Company and to reflect the new share capital structure of the Company under the intended allotment and issue of the Shares pursuant to the resolution under paragraph (1) of this resolution.

For the purposes of this resolution:

“**Domestic Shares**” means the domestic invested shares in the share capital of the Company with a nominal value of RMB1.00 each, which are held in Renminbi;

“**Listing Rules**” means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as the same may be amended from time to time);

“**H Shares**” means the overseas-listed foreign invested shares in the share capital of the Company with a nominal value of RMB1.00 each, which are held and traded in Hong Kong dollars;

“**Hong Kong**” means the Hong Kong Special Administrative Region of the PRC;

“**PRC**” means the People’s Republic of China, excluding, for the purpose of this resolution only, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;

“**Relevant Period**” means the period from the date of passing this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company following the passing of this resolution; or
- (b) the expiry date of the 12-month period following the passing of this resolution; or
- (c) the date on which the authority granted to the Board set out in this resolution is revoked or varied by a special resolution of the Shareholders in a general meeting.

“**RMB**” means Renminbi, the lawful currency of the PRC.

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## NOTICE OF ANNUAL GENERAL MEETING

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9. To consider and pass the following resolution:

**THAT:**

- (1) subject to paragraphs (2) and (3) below, the Board be and is hereby granted an unconditional general mandate to repurchase the issued H Shares on the Stock Exchange during the Relevant Period, subject to and in accordance with all applicable laws, rules and regulations and/or requirements of the governmental or regulatory body of securities in the PRC, the Stock Exchange or of any other governmental or regulatory body;
- (2) the aggregate nominal value of H Shares authorised to be repurchased subject to the approval in paragraph (1) above during the Relevant Period shall not exceed 10% of the aggregate nominal value of the issued H Shares as at the date of the passing of this resolution;
- (3) the approval in paragraph (1) above shall be conditional upon:
  - (a) the passing of a special resolution with the same terms as the resolution set out in this paragraph (except for this sub-paragraph (3)(a)) at a class meeting for Holders of H Shares and at a class meeting of Holders of Domestic Shares to be convened for such purpose;
  - (b) the approval of the relevant PRC regulatory authorities as may be required by the laws, rules and regulations of the PRC being obtained by the Company if appropriate; and
  - (c) the Company not being required by any of its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, in its absolute discretion, repaid or provided guarantee in respect of such amount using internal resource) pursuant to the notification procedure set out in the relevant article of the Articles of Association;
- (4) subject to the approval of all relevant PRC regulatory authorities for the repurchase of such H Shares being granted, the Board be and is hereby authorized to:
  - (a) amend the Articles of Association as it thinks fit so as to reduce the registered share capital of the Company and to reflect the new capital structure of the Company upon the repurchase of H Shares as contemplated in paragraph (1) above; and
  - (b) file the amended Articles of Association with the relevant governmental authorities of the PRC.

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## NOTICE OF ANNUAL GENERAL MEETING

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For the purposes of this resolution, “**Relevant Period**” means the period from the date of passing this resolution until whichever is the earlier of:

- (a) the conclusion of the next annual general meeting of the Company following the passing of this resolution; or
- (b) the expiry date of the 12-month period following the passing of this resolution; or
- (c) the date on which the authority granted to the Board set out in this resolution is revoked or varied by a special resolution of the Shareholders in a general meeting.

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

Yantai, the PRC  
10 April 2015

*As at the date of this notice, the executive Directors are Messrs. Wang An, Zhang Hui and Wang Yan Hui, the non-executive Director is Mr. Liu Tsung-Yi, and the independent non-executive Directors are Messrs. Gong Fan, Chow Kam Hung and Li Tong Ning.*

*Notes:*

1. For the purpose of determining who may attend the AGM to be held on Tuesday, 26 May 2015, the register of holders of H Shares of the Company will be closed from Sunday, 26 April 2015 to Tuesday, 26 May 2015 (both dates inclusive), during which no transfer of H Shares will be registered. In order to qualify for entitlement to attending and voting in the AGM, all transfers of H Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s H Share registrar, Tricor Tengis Limited for registration not later than 4:30 p.m. on Friday, 24 April 2015.

For the purpose of determining who may be entitled to receive the final dividend of the Company (subject to approval by the Shareholders at the AGM), the register of holders of H Shares will be closed from Friday, 5 June 2015 to Wednesday, 10 June 2015 (both dates inclusive), during which no transfer of H Shares will be registered. In order to qualify for entitlement to the final dividend, all transfers of H Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s H Share Registrar, Tricor Tengis Limited for registration not later than 4:30 p.m. on Thursday, 4 June 2015.

The address of Tricor Tengis Limited is as follows:

22nd Floor  
Hopewell Centre  
183 Queen’s Road East, Wanchai  
Hong Kong  
Fax: (852) 2810 8185

Pursuant to the Corporate Income Tax Law of the PRC and its implementing regulations (collectively referred to as the “Corporate Income Tax Law”) which took effect on 1 January 2008, the tax rate of the corporate income tax applicable to the income of non-resident enterprise deriving from PRC is 10%. Pursuant to the Corporate Income Tax Law, any Chinese domestic enterprise (including our Company)

\* *For identification purpose only*

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## NOTICE OF ANNUAL GENERAL MEETING

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which pays dividend to a non-resident enterprise shareholder shall withhold corporate income tax at 10% for and pay by the Company on behalf of such shareholder. At the same time, pursuant to the provisions of the “Preferential Policy on Profit Earned by Foreign Investors from Foreign Investment Enterprises” in the Circular of the Ministry of Finance and the State Administration of Taxation Concerning Several Preferential Policies Relevant to Corporate Income Tax, any profit accumulated and not yet distributed before 1 January 2008 by foreign investment enterprise when distributed to non-resident enterprise in or after 2008, will be exempted from corporate income tax. Any dividend distributed to non-resident enterprises from profit accumulated since 2008 will be subject corporate income tax.

2. In accordance with the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. As such, the resolutions set out in the notice of AGM will be voted by poll. Results of the poll voting will be published on the Company’s website at [www.andre.com.cn](http://www.andre.com.cn) and the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) after the AGM.
3. Any shareholder entitled to attend and vote at the AGM convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a Shareholder.
4. In order to be valid, the instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or authority, must be completed and deposited at the Company’s H Share registrar, Tricor Tengis Limited (for holders of H Shares) or the registered office of the Company (for holders of Domestic Shares), at least 24 hours before the AGM or any adjourned meeting thereof. The Company’s registered office is located at No. 18 Andre Avenue, Muping Economic Development Zone Yantai City, Shandong Province, the PRC (Fax no. (86-535) 421-8858). The Company’s H Share registrar, Tricor Tengis Limited, is located at 22nd Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (Fax no. (852) 2810 8185).
5. Completion and return of a proxy form will not preclude you from attending and voting at the AGM or any adjourned meeting thereof if you so wish.
6. In case of joint shareholdings, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint shareholding.
7. Shareholders who intend to attend the AGM in person or by proxy should return the reply slip for the AGM to the registered office of the Company (for holders of Domestic Shares) or the principal place of business of the Company in Hong Kong (for holders of H Shares), by hand, by post or by fax on or before Tuesday, 5 May 2015. The Company’s registered office is located at No. 18 Andre Avenue, Muping Economic Development Zone Yantai City, Shandong Province, the PRC (Fax no. (86-535) 421-8858). The principal place of business of the Company in Hong Kong, is located at Room 1505, Wheelock House, 20 Pedder Street, Central, Hong Kong (Fax no. (852) 2587 9166).
8. The AGM is expected to last for about half a day. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses. Shareholders or their proxies shall produce their identity documents when attending the AGM.

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## NOTICE OF CLASS MEETING FOR HOLDERS OF DOMESTIC SHARES

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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)

#### NOTICE OF CLASS MEETING FOR HOLDERS OF DOMESTIC SHARES

**NOTICE IS HEREBY GIVEN** that a class meeting for the holders of domestic shares (the “**Class Meeting**”) of Yantai North Andre Juice Co., Ltd.\* (烟台北方安德利果汁股份有限公司) (the “**Company**”) will be held at 2nd Floor, No. 18 Andre Avenue, Muping Economic Development Zone, Yantai City, Shandong Province, the People’s Republic of China (the “**PRC**”) at 11:00 a.m. on Tuesday, 26 May 2015 for the purpose of considering and passing the following special resolution (unless otherwise specified, the terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 10 April 2015):

1. To consider and pass the following resolution:

**THAT:**

- (1) subject to paragraphs (2) and (3) below, the Board be and is hereby granted an unconditional general mandate to repurchase the issued H Shares on the Stock Exchange during the Relevant Period, subject to and in accordance with all applicable laws, rules and regulations and/ or requirements of the governmental or regulatory body of securities in the PRC, the Stock Exchange or of any other governmental or regulatory body;
- (2) the aggregate nominal value of H Shares authorised to be repurchased subject to the approval in paragraph (1) above during the Relevant Period shall not exceed 10% of the aggregate nominal value of the issued H Shares as at the date of the passing of this resolution;
- (3) the approval in paragraph (1) above shall be conditional upon:
  - (a) the passing of a special resolution with the same terms as the resolution set out in this paragraph (except for this sub-paragraph (3)(a)) at the Class Meeting for Holders of Domestic Shares and the Class Meeting for Holders of H Shares of the Company to be convened for such purpose;
  - (b) the approval of the relevant PRC regulatory authorities as may be required by the laws, rules and regulations of the PRC being obtained by the Company if appropriate; and

\* For identification purpose only

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## NOTICE OF CLASS MEETING FOR HOLDERS OF DOMESTIC SHARES

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- (c) the Company not being required by any of its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, in its absolute discretion, repaid or provided guarantee in respect of such amount using internal resources) pursuant to the notification procedure set out in the relevant article of the Articles of Association;
- (4) subject to the approval of all relevant PRC regulatory authorities for the repurchase of such H Shares being granted, the Board be and is hereby authorised to:
  - (a) amend the Articles of Association as it thinks fit so as to reduce the registered share capital of the Company and to reflect the new capital structure of the Company upon the repurchase of H Shares as contemplated in paragraph (1) above; and
  - (b) file the amended Articles of Association with the relevant governmental authorities of the PRC.

For the purposes of this resolution, “**Relevant Period**” means the period from the date of passing this resolution until whichever is the earlier of:

- (a) the conclusion of the next annual general meeting of the Company following the passing of this resolution; or
- (b) the expiry date of the 12-month period following the passing of this resolution; or
- (c) the date on which the authority granted to the Board set out in this resolution is revoked or varied by a special resolution of the Shareholders in a general meeting.

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

Yantai, the PRC  
10 April 2015

*As at the date of this notice, the executive Directors are Messrs. Wang An, Zhang Hui and Wang Yan Hui, the non-executive Director is Mr. Liu Tsung-Yi, and the independent non-executive Directors are Messrs. Gong Fan, Chow Kam Hung and Li Tong Ning.*

\* For identification purpose only

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## NOTICE OF CLASS MEETING FOR HOLDERS OF DOMESTIC SHARES

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*Notes:*

1. In accordance with the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. As such, the resolution set out in this notice of Class Meeting will be voted by poll.
2. Any shareholder entitled to attend and vote at the Class Meeting is entitled to appoint in writing one or more proxies, whether a shareholder or not, to attend and vote on his behalf at the Class Meeting.
3. To be valid, the form of proxy, and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointor, a notarially certified copy of that power of attorney or other authority, must be delivered to the registered office of the Company at No. 18 Andre Avenue, Muping Economic Development Zone Yantai City, Shandong Province, the PRC, not less than 24 hours before the time for holding the Class Meeting or any adjournment thereof in order for such documents to be valid.
4. Completion and return of a proxy form will not preclude you from attending and voting at the Class Meeting or any adjourned meeting thereof should you so wish.
5. In the case of joint registered holders of any share, any one of such persons may vote at the Class Meeting, either personally or by proxy, in respect of such shares as if he/she was solely entitled thereto; but if more than one of such joint holders be present at the Class Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holder(s), and for this purpose seniority shall be determined by the order in which the names stand in the register of member in respect of the joint holding.
6. Shareholders who intend to attend the Class Meeting For Holders of Domestic Shares in person or by proxy should return the reply slip for the Class Meeting to the registered office of the Company at No. 18 Andre Avenue, Muping Economic Development Zone Yantai City, Shandong Province, the PRC (Fax no. (86-535) 421-8858) on or before Tuesday, 5 May 2015.
7. The Class Meeting is expected to last for half a day. Shareholders and their proxies attending the Class Meeting are responsible for their own transportation and accommodation expenses. Shareholders and their proxies attending the Class Meeting must produce their identity documents.



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## NOTICE OF CLASS MEETING FOR HOLDERS OF H SHARES

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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)

#### NOTICE OF CLASS MEETING FOR HOLDERS OF H SHARES

**NOTICE IS HEREBY GIVEN** that the class meeting for the holders of H shares (the “Class Meeting”) of Yantai North Andre Juice Co., Ltd.\* (烟台北方安德利果汁股份有限公司) (the “Company”) will be held at 2nd Floor, No. 18 Andre Avenue, Muping Economic Development Zone, Yantai City, Shandong Province, the PRC at 11:30 a.m. on Tuesday, 26 May 2015 to consider and and, if though fit, pass the following special resolution (unless otherwise specified, the terms used in this notice shall have the same meanings as defined in the circular dated 10 April 2015):

1. To consider and pass the following resolution:

**THAT:**

- (1) subject to paragraphs (2) and (3) below, the Board be and is hereby granted an unconditional general mandate to repurchase the issued H Shares on the Stock Exchange during the Relevant Period, subject to and in accordance with all applicable laws, rules and regulations and/ or requirements of the governmental or regulatory body of securities in the PRC, the Stock Exchange or of any other governmental or regulatory body;
- (2) the aggregate nominal value of H Shares authorised to be repurchased subject to the approval in paragraph (1) above during the Relevant Period shall not exceed 10% of the aggregate nominal value of the issued H Shares as at the date of the passing of this resolution;
- (3) the approval in paragraph (1) above shall be conditional upon:
  - (a) the passing of a special resolution with the same terms as the resolution set out in this paragraph (except for this sub-paragraph (3)(a)) at the Class Meeting for Holders of Domestic Shares and the Class Meeting for Holders of H Shares of the Company to be convened for such purpose;
  - (b) the approval of the relevant PRC regulatory authorities as may be required by the laws, rules and regulations of the PRC being obtained by the Company if appropriate; and
  - (c) the Company not being required by any of its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company

\* For identification purpose only

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## NOTICE OF CLASS MEETING FOR HOLDERS OF H SHARES

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having, in its absolute discretion, repaid or provided guarantee in respect of such amount using internal resources) pursuant to the notification procedure set out in the relevant article of the Articles of Association;

- (4) subject to the approval of all relevant PRC regulatory authorities for the repurchase of such H Shares being granted, the Board be and is hereby authorised to:
- (a) amend the Articles of Association as it thinks fit so as to reduce the registered share capital of the Company and to reflect the new capital structure of the Company upon the repurchase of H Shares as contemplated in paragraph (1) above; and
  - (b) file the amended Articles of Association with the relevant governmental authorities of the PRC.

For the purposes of this resolution, “**Relevant Period**” means the period from the date of passing this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company following the passing of this resolution; or
- (b) the expiry date of the 12-month period following the passing of this resolution; or
- (c) the date on which the authority granted to the Board set out in this resolution is revoked or varied by a special resolution of the Shareholders in a general meeting.

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

Yantai, the PRC  
10 April 2015

*As at the date of this notice, the executive Directors are Messrs. Wang An, Zhang Hui and Wang Yan Hui, the non-executive Director is Mr. Liu Tsung-Yi, and the independent non-executive Directors are Messrs. Gong Fan, Chow Kam Hung and Li Tong Ning.*

\* For identification purpose only

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## NOTICE OF CLASS MEETING FOR HOLDERS OF H SHARES

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*Notes:*

1. Closure of Register of Members in Determining Shareholders' Entitlement for Attending the Class Meeting

The register of holders of H Shares will be closed from Sunday, 26 April 2015 to Tuesday, 26 May 2015 (both days inclusive) during which period no transfer of H Shares will be registered. Any holder of the H Shares and whose name appears in the Company's register of holders of H Shares with Tricor Tengis Limited by 4:30 p.m. on Friday, 24 April 2015 and have completed the registration process, will be entitled to attend and vote at the Class Meeting.

The address of Tricor Tengis Limited is as follows:

22nd Floor  
Hopewell Centre  
183 Queen's Road East, Wanchai  
Hong Kong  
Fax: (852) 2810 8185

2. In accordance with the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. As such, the resolution set out in this notice of Class Meeting will be voted by poll.
3. Each holder of H Shares entitled to attend the Class Meeting and having voting rights is entitled to appoint in writing one or more proxies, whether a shareholder or not, to attend and vote on his behalf at the Class Meeting.
4. To be valid, the form of proxy, and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointor, a notarially certified copy of that power of attorney or other authority, must be delivered to the Company's H Share registrar, Tricor Tengis Limited at 22nd Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time for holding the Class Meeting or any adjournment thereof in order for such documents to be valid.
5. In the case of joint registered holders of any share, any one of such persons may vote at the Class Meeting, either personally or by proxy, in respect of such shares as if he/she was solely entitled thereto; but if more than one of such joint holders be present at the Class Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holder(s), and for this purpose seniority shall be determined by the order in which the names stand in the register of member in respect of the joint holding.
6. Shareholders, who intend to attend the Class Meeting, must complete and return the reply slip for attending the Class Meeting and return them to the Company's principal place of business in Hong Kong at Room 1505, Wheelock House, 20 Pedder Street, Central, Hong Kong (Fax: (852) 2587-9166) on or before Tuesday, 5 May 2015.
7. The Class Meeting is expected to last for less than half a day. Shareholders and their proxies attending the Class Meeting are responsible for their own transportation and accommodation expenses. Shareholders and their proxies attending the Class Meeting must produce their identity documents.