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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)

CONTINUING CONNECTED TRANSACTION

PRESIDENT PRODUCT PURCHASE FRAMEWORK AGREEMENT WITH PRESIDENT

Reference is made to the announcement of the Company dated 12 March 2015 and the circular of the Company dated 10 April 2015 in relation to, among other things, the Previous Product Purchase Framework Agreement entered into between the Company and President on 12 March 2015.

As the Previous Product Purchase Framework Agreement will expire on 31 December 2017, the Company and President agreed to renew the transaction terms, and entered into the President Product Purchase Framework Agreement on 11 December 2017, whereby President agreed to purchase and the Company agreed to supply the Company's products (including but not limited to different kinds of concentrated juice), to regulate such product purchase between the Group and President for the period commencing on 1 January 2018 and expiring on 31 December 2018.

TON YI PRODUCT PURCHASE FRAMEWORK AGREEMENT WITH TON YI

The Company entered into the Ton Yi Product Purchase Framework Agreement on 11 December 2017 with Ton Yi, whereby Ton Yi agreed to purchase and the Company agreed to supply the Company's products (including but not limited to different kinds of concentrated juice), to regulate such product purchase between the Group and Ton Yi for the period commencing on 1 January 2018 and expiring on 31 December 2018.

LISTING RULES IMPLICATIONS

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

* *For identification purpose only*

approximately 0.07% of the total issued share capital of the Company. President and Ton Yi are connected persons of the Company under the Listing Rules. Therefore, the transactions under the President Product Purchase Framework Agreement between the Group and President and the transactions under the Ton Yi Product Purchase Framework Agreement between the Group and Ton Yi constitute continuing connected transactions of the Company.

Since the applicable percentage ratios (other than the profit ratio) for the proposed annual cap for the period commencing on 1 January 2018 and expiring on 31 December 2018 of the transactions under the President Product Purchase Framework Agreement and the transactions under the Ton Yi Product Purchase Framework Agreement are more than 0.1% but less than 5% in aggregate, pursuant to Rule 14A.34 of the Listing Rules, the continuing connected transactions under the President Product Purchase Framework Agreement with President and the Ton Yi Product Purchase Framework Agreement with Ton Yi are subject to the reporting and announcement requirements but exempted from the independent Shareholders' approval requirements under Rule 14A.45 to Rule 14A.47 of the Listing Rules.

I. PRODUCT PURCHASE FRAMEWORK AGREEMENT WITH PRESIDENT

A. Background

Reference is made to the announcement of the Company dated 12 March 2015 and the circular of the Company dated 10 April 2015 in relation to, among other things, the Previous Product Purchase Framework Agreement entered into between the Company and President on 12 March 2015.

As the Previous Product Purchase Framework Agreement will expire on 31 December 2017, the Company and President agreed to renew the transaction terms, and entered into the President Product Purchase Framework Agreement on 11 December 2017, whereby President agreed to purchase and the Company agreed to supply the Company's products (including but not limited to different kinds of concentrated juice), to regulate such product purchase between the Group and President for the period commencing on 1 January 2018 and expiring on 31 December 2018.

B. President Product Purchase Framework Agreement

Date

11 December 2017

Parties

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

Product Supply

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

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

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

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

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

Term

Commencing on 1 January 2018 and expiring on 31 December 2018.

Pricing Policy

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

Upon receipt of a sales order of the products, the sales department of the Company and its designated persons are mainly responsible for reviewing the prices offered by other independent third parties, generally by way of, (1) referring to the comparable transactions (if any) in relation to supplying such products to independent third parties by the Company during the same period; (2) obtaining quotations from at least two independent third parties via emails, fax or phone or tenders by publishing tender notice via various media resources (for instance, the local newspapers); or (3) obtaining market prices from various independent industry information vendors such as industry websites and

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

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

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

Historical Figures

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

	Twelve months ended 31 December 2015 (RMB million)	Twelve months ended 31 December 2016 (RMB million)	Six months ended 30 June 2017 (RMB million)
Revenue			
Amount paid to the Group by President in respect of the products provided by the Group	80.10	23.04	6.88

Proposed Annual Cap

The Board proposes to set the proposed annual cap of the products sold to President for the period commencing on 1 January 2018 and expiring on 31 December 2018 as RMB21,000,000, mainly due to the following reasons:

- (i) the historical transaction amounts with President for the sales of products; and
- (ii) the expected increase in the prevailing market prices for the sales of the Company's products due to the increase in the costs for the production of the Company's products, such as the raw materials and labor costs.

II. TON YI PRODUCT PURCHASE FRAMEWORK AGREEMENT WITH TON YI

A. Background

The Company entered into the Ton Yi Product Purchase Framework Agreement on 11 December 2017 with Ton Yi, whereby Ton Yi agreed to purchase and the Company agreed to supply the Company's products (including but not limited to different kinds of concentrated juice) and provide the warehousing and other services relating to purchase to subsidiaries of Ton Yi, to regulate such product purchase between the Group and Ton Yi for the period commencing on 1 January 2018 and expiring on 31 December 2018.

B. Ton Yi Product Purchase Framework Agreement

Date

11 December 2017

Parties

Ton Yi (as purchaser); and the Company (as supplier)

Product Supply

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

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

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

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

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

Term

Commencing on 1 January 2018 and expiring on 31 December 2018.

Pricing Policy

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

Upon receipt of a sales order of the products, the sales department of the Company and its designated persons are mainly responsible for reviewing the prices offered by other independent third parties, generally by way of, (1) referring to the comparable transactions (if any) in relation to supplying such products to independent third parties by the Company during the same period; (2) obtaining quotations from at least two independent third parties via emails, fax or phone or tenders by publishing tender notice via various media resources (for instance, the local newspapers); or (3) obtaining market prices from various independent industry information vendors such as industry websites and participating in activities or meetings organised by industry organisations to determine the market price. The sales department of the Company is responsible for proposing the price, which will be reviewed by the head in charge of the sales department and subject to the final approval by the president office to ensure that the price is fair and reasonable and determined on normal commercial terms.

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

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

Proposed Annual Cap

The Board proposes to set the proposed annual cap of the products sold to Ton Yi for the period commencing on 1 January 2018 and expiring on 31 December 2018 as RMB21,000,000, mainly due to the expected increase in the prevailing market prices for the sales of the Company's products due to the increase in the costs for the production of the Company's products, such as the raw materials and labor costs.

III. REASONS FOR THE CONTINUING CONNECTED TRANSACTIONS

A. Product Purchase Framework Agreement with President

The demand for the Company's products by President has maintained at a high level due to the continued development and commitment of relevant products by President, while at the same time, the Company has sufficient production capacity and raw materials for production to satisfy the increase in demand by President. The supply of the Company's products to President in the PRC can lower the freight costs as well as the exchange risks as compared to sales of the same products overseas. Besides, the supply of the Company's products to President can expand the Company's share in the domestic markets by maintaining close and stable business relationships with certain renowned beverage manufacturers in the PRC and broadening sales channels. Therefore, the Directors are of the opinion that the President Product Purchase Framework Agreement is beneficial in raising the proportion of domestic sales of the Company's juice products as well as product diversification, which will in turn increase the revenue and profits of the Company. For the same reasons, the Company is of the view that it is in the best interest of the Company and the Shareholders as a whole to give first priority to the purchase by President in the event that the purchase terms are the same as those of third parties.

B. Ton Yi Product Purchase Framework Agreement with Ton Yi

The demand for the Company's products by Ton Yi has increased substantially due to the continued development and commitment of relevant products by Ton Yi, while the Company has sufficient production capacity and raw materials for production. The Directors are of the opinion that the entering into of Ton Yi Product Purchase Framework Agreement is beneficial in raising the proportion of domestic sales of the Company as well as product diversification, which will in turn increase the revenue and profits of the Company.

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

Besides, the Board (including the independent non-executive Directors) considers that, the proposed annual caps for the transactions under the President Product Purchase Framework Agreement and the Ton Yi Product Purchase Framework Agreement for the period commencing on 1 January 2018 and expiring on 31 December 2018 are fair and reasonable.

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

IV. LISTING RULES IMPLICATIONS

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

The transactions under the President Product Purchase Framework Agreement and the Ton Yi Product Purchase Framework Agreement will be carried out on a continuing or recurring basis in the ordinary and usual course of business of the Group, and therefore constitute continuing connected transactions of the Company under the Listing Rules.

Since the applicable percentage ratios (other than the profit ratio) for the proposed annual cap for the period commencing on 1 January 2018 and expiring on 31 December 2018 of the transactions under the President Product Purchase Framework Agreement and the Ton Yi Product Purchase Framework Agreement are more than 0.1% but less than 5% in aggregate, pursuant to Rule 14A.34 of the Listing Rules, the continuing connected transactions under the President Product Purchase Framework Agreement with President and the Ton Yi Product

“Group”	the Company and its subsidiaries
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“President”	President Enterprises (China) Investment Co., Ltd.* (統一企業(中國)投資有限公司), a limited liability company established in the PRC. As at the date of this announcement, President is a subsidiary of Uni-President Enterprises Corp., a Shareholder of the Company
“Ton Yi”	Ton Yi (China) Investment Co., Ltd.* (統實(中國)投資有限公司), a limited liability company established in the PRC. As at the date of this announcement, Ton Yi is a wholly-owned subsidiary of Uni-President Enterprises Corp., a Shareholder of the Company
“President Product Purchase Framework Agreement”	the Product Purchase Framework Agreement dated 11 December 2017 entered into between the Company and President, pursuant to which President agreed to purchase and the Company agreed to supply the Company’s products (including, but not limited to, different kinds of concentrated juice) to regulate the product purchase between the Group and President for the period commencing on 1 January 2018 and expiring on 31 December 2018
“Ton Yi Product Purchase Framework Agreement”	the Product Purchase Framework Agreement dated 11 December 2017 entered into between the Company and Ton Yi, pursuant to which Ton Yi agreed to purchase and the Company agreed to supply the Company’s products (including, but not limited to, different kinds of concentrated juice) to regulate the product purchase between the Group and Ton Yi for the period commencing on 1 January 2018 and expiring on 31 December 2018

“Previous 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 concentrated juice) to regulate the product purchase between the Group and President for the three years ending 31 December 2017
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Yantai, the PRC, 11 December 2017

As at the date hereof, the Board comprises:

Mr. Wang An (*Executive Director*)
Mr. Zhang Hui (*Executive Director*)
Mr. Wang Yan Hui (*Executive Director*)
Mr. Liu Tsung-Yi (*Non-executive Director*)
Mr. Li Wei (*Independent non-executive Director*)
Mr. Jiang Hong Qi (*Independent non-executive Director*)
Mr. Li Tong Ning (*Independent non-executive Director*)

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