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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)

**ANNOUNCEMENT
ISSUANCE OF A SHARES TO SPECIFIC TARGETS BY
SIMPLIFIED PROCEDURE**

References are made to the announcements of the Company dated 6 March 2024, 11 March 2024, 27 March 2024 and 30 April 2024 and the circular of the Company dated 27 March 2024, in relation to the proposed grant of authorisation by the Shareholders' meeting to the Board to handle the issuance of shares to specific targets by simplified procedure.

The Board considered and approved the relevant resolutions in relation to, among other things, the Issuance, at the Board meeting held on 9 May 2024 and resolved to submit the proposals in relation to (i) dilution on current returns due to the Issuance, measures for compensating returns and undertakings of the relevant entities; (ii) the special report on the utilization of the previously raised proceeds; and (iii) the plan for Shareholders' return for the next three years (2024-2026) (the "**Relevant Resolutions**") at the extraordinary general meeting for Shareholders' consideration and approval. A circular containing, among other things, details of the abovementioned Relevant Resolutions will be published and/or despatched to the Shareholders in due course in accordance with the requirements of the Hong Kong Listing Rules.

The Relevant Resolutions are subject to approval of the Shareholders at the extraordinary general meeting and the Issuance will be reported to the Shanghai Stock Exchange for review and implemented after the approval for registration by the CSRC, and is subject to uncertainty. The Company will fulfil its information disclosure obligations in a timely manner in accordance with the requirements, and the Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

I. INTRODUCTION

References are made to the announcements of the Company dated 6 March 2024, 11 March 2024, 27 March 2024 and 30 April 2024 and the circular of the Company dated 27 March 2024 (the “**Circular**”), in relation to the proposed grant of authorisation by the Shareholders’ meeting to the Board to handle the issuance of shares to specific targets by simplified procedure (the “**Issuance**”). Unless otherwise defined, terms used herein shall have the same meaning as defined in the Circular.

On 30 April 2024, the Shareholders considered and approved the resolution in relation to the proposed grant of authorisation by the Shareholders’ meeting to the Board to handle the issuance of shares to specific targets by simplified procedure at the AGM and the Class Meetings, and authorised the Board to handle matters related to the Issuance from the date on which this resolution is approved by the AGM to the date on which the 2024 annual general meeting is convened.

The Board considered and approved, among other things, the issuance plan and other resolutions relating to the Issuance at the Board meeting held on 9 May 2024 and resolved to submit the proposals in relation to (i) dilution on current returns due to the Issuance, measures for compensating returns and undertakings of the relevant entities; (ii) the special report on the utilization of the previously raised proceeds; and (iii) the plan for Shareholders’ return for the next three years (2024-2026) at the extraordinary general meeting for Shareholders’ consideration and approval.

The Issuance is subject to (i) the approval of the Shareholders on the abovementioned Relevant Resolutions at the extraordinary general meeting; (ii) the review and approval from the Shanghai Stock Exchange; and (iii) the decision for registration by the CSRC.

II. ISSUANCE PLAN

The details of the issuance plan are as follows:

(i) Type and par value of shares to be issued

The shares to be issued under the Issuance are RMB ordinary shares (A shares) with a par value of RMB1.00 per share.

(ii) Method and time of issuance

The shares to be issued under the Issuance will be issued by simplified procedure to specific targets, and the payment for issuance shall be made within ten working days following the decision of the CSRC to grant registration.

(iii) Pricing benchmark date, issuance price and pricing principles

The pricing benchmark date of the Issuance shall be the first day of the issuance period, and the price shall be not less than 80% of the average price of the shares of the Company traded in the 20 trading days prior to the pricing benchmark date (average price of the shares traded in the 20 trading days prior to the pricing benchmark date = the total amount of the shares traded in the 20 trading days prior to the pricing benchmark date/the total volume of the shares traded in the 20 trading days prior to the pricing benchmark date). In the event that the Company's share price is adjusted due to ex-rights and ex-dividend events such as dividend distribution, share bonus, share allotment, capitalisation of capital reserves, etc. during such 20 trading days, the trading price on the trading day before the adjustment is calculated based on the price after the corresponding adjustment of ex-rights and ex-dividend.

In the event of any ex-dividend or ex-rights of the shares of the Company such as dividend distribution, bonus shares or capitalisation of capital reserves during the period from the pricing benchmark date to the issuance date, the issuance base price will be adjusted accordingly. The adjustment formula is as follows:

Distribution of cash dividend: $P1=P0-D$

Bonus issue or capitalisation of capital reserves: $P1=P0/(1+N)$

Both of the above occur simultaneously: $P1=(P0-D)/(1+N)$

Of which, P0 represents the issuance base price before adjustments, D represents cash distributed dividend per share, N represents the number of bonus shares issued or shares increased by way of capitalisation of capital reserves for each share, and P1 represents the adjusted issuance base price.

The final issuance price of the Issuance will be determined by the Board in consultation with the sponsor (lead underwriter) of the Issuance based on the results of the subscription quotation and in accordance with the authorisation of the Shareholders' meeting, but it shall not be lower than the aforementioned issuance base price.

(iv) Issuance quantity

The number of shares to be issued by simplified procedure to specific targets shall be determined by dividing the total amount of proceeds by the issuance price and shall not exceed 20% of the total number of share capital of the Company prior to the Issuance. Meanwhile, the number of shares to be issued under the Issuance shall not exceed 20% of the total issued shares of the Company as at the date when the authorisation was granted to the Board at the 2023 annual general meeting of the Company. Within the aforesaid range, the number of shares to be issued shall be determined by the Board authorized at

the 2023 annual general meeting of the Company in consultation with the lead underwriter of the Issuance according to the specific condition, and the corresponding proceeds shall not exceed RMB300 million and shall not exceed 20% of the net assets as at the end of the most recent year.

In the event of any ex-rights or ex-dividend of the shares of the Company such as bonus shares or capitalisation of capital reserves and other reasons resulting in changes in the total share capital of the Company during the period from the pricing benchmark date to the issuance date, any adjustment to the price due to the Issuance, or adjustment to the total number of shares to be issued under the Issuance due to changes in regulatory policies or in accordance with the requirements of approval documents for the Issuance, the maximum number of shares to be issued under the Issuance shall be adjusted accordingly. The final number of shares to be issued is subject to the number of shares agreed to be registered by the CSRC.

(v) Issuance targets and subscription method

The targets of the Issuance will be no more than 35 (inclusive) specific investors, including securities investment fund management companies, securities companies, trust investment companies, finance companies, insurance institutional investors, qualified foreign institutional investors (QFII), other domestic institutional investors and natural persons and other specific investors, which are in compliance with the regulations of the CSRC. Among them, any securities investment fund management company, securities company, qualified foreign institutional investor or RMB qualified foreign institutional investor subscribing for the shares through two or more products under its management shall be deemed as one single issuance target. Issuance targets that are trust investment companies shall only subscribe for the shares with their own funds.

The Issuance has not yet determined the issuance targets. The final issuance targets will be determined by the Board in consultation with the sponsor (lead underwriter) of the Issuance under the authorisation of the AGM based on the subscription quotations of the issuance targets and in accordance with relevant provisions of laws, administrative regulations, departmental rules and normative documents. In case of new provisions of national laws, regulations and normative documents on this regard, the Company will adjust according to the new provisions.

All the issuance targets shall subscribe the shares of the Company to be issued under the Issuance by cash in RMB at the same price.

(vi) Arrangement for lock-up period

Upon the completion of the Issuance by simplified procedure to specific targets, the lock-up period of the shares to be subscribed by specific targets under the Issuance shall comply with the Measures for the Administration of the Registration of Securities

Issuance by Listed Companies (the “**Measures for the Administration of the Registration**”) and relevant requirements of the CSRC, the Shanghai Stock Exchange and other regulatory authorities. Shares to be subscribed by issuance targets may not be transferred within 6 months from the completion date of issuance. Shares derived from the shares of the Company to be subscribed by the issuance targets under the Issuance as a result of events such as share dividend distribution and capitalisation of capital reserves shall also comply with the above lock-up arrangement. If the lock-up period is otherwise provided by the laws and regulations, those provisions shall be followed. The transfer after the expiry of the lock-up period shall be carried out in accordance with relevant provisions of the CSRC and the Shanghai Stock Exchange.

(vii) Arrangements for the undistributed profits rolled over before the completion of the Issuance

Upon completion of the Issuance, in order to align the interests of the new and existing Shareholders, the undistributed profits of the Company rolled over before the Issuance will be shared between the new and existing Shareholders in proportion to the shares to be held after the completion of the Issuance.

(viii) Place of listing

The shares to be issued under the Issuance will be listed and traded on the Main Board of the Shanghai Stock Exchange upon the maturity of lock-up period.

(ix) Validity period of the resolutions

The resolutions regarding the Issuance is valid from the date of its approval at the 2023 annual general meeting of the Company until the date on which the 2024 annual general meeting is convened.

In case of new provisions of national laws, regulations and normative documents regarding the issuance of shares to specific targets by simplified procedure, the Company will make corresponding adjustments according to the new provisions.

(x) Total amount and use of proceeds

The total amount of the proceeds from the Issuance of the Company will not exceed RMB300 million (inclusive), which complied with the requirement that the proceeds from the issuance of shares to specific targets by simplified procedure shall not exceed

RMB300 million and shall not exceed 20% of the net assets as at the end of the most recent year. Such proceeds will be used for the following projects after deducting issuance expenses:

Unit: RMB0'000

No.	Projects	Total investment amount of the project	Investment amount from the proceeds
1	Project of production line for decolorized and deacidified concentrated fruit juice with annual output of 7,200 tonnes	16,552.66	12,000.00
2	Project of NFC juice with annual output of 12,000 tonnes	12,793.00	10,000.00
3	Replenishment of working capital project	<u>8,000.00</u>	<u>8,000.00</u>
Total		<u>37,345.66</u>	<u>30,000.00</u>

If the net proceeds actually raised from the Issuance falls short of the amount of the proceeds proposed to be invested in the aforesaid projects, the Company will make adjustments and decisions on the specific investment projects, the priority and the specific investment amount of each project based on the net proceeds actually raised and the priority of each project, and will make up for the shortfall by its self-raised funds. Prior to the receipt of the proceeds from the Issuance, the Company may utilise its self-raised funds to advance investments in the projects depending on the actual progress of such projects and replace such funds in accordance with the procedures required by relevant regulations after receipt of the proceeds. The proceeds will not be used directly or indirectly for quasi-financial businesses.

III. OTHER RESOLUTIONS RELATING TO THE ISSUANCE

- (i) **The Company meets the conditions for issuing A shares to specific targets by simplified procedure**

In accordance with the Company Law of the People's Republic of China (the "**Company Law**"), the Securities Law of the People's Republic of China (the "**Securities Law**"), the Measures for the Administration of the Registration and other laws, regulations and normative documents and based on the actual situation of the Company, after conducting the self-examination and demonstration item by item, the Company complied with the provisions and requirements of the existing laws, regulations and normative documents in

respect of the issuance of shares to specific targets by the listed companies through simplified procedures, and was qualified and met the conditions for the issuance of shares to specific targets by simplified procedure.

(ii) Issuance preliminary plan

In accordance with relevant provisions of the Company Law, the Securities Law, the Measures for the Administration of the Registration and other laws, regulations and normative documents and in order to effectively implement the issuance of shares to specific targets by simplified procedures and make full preparation, the Company prepared the preliminary plan of the Issuance.

(iii) Demonstration and analysis report on the Issuance plan

In accordance with the provisions of the Company Law, the Securities Law, the Measures for the Administration of the Registration and other relevant laws, regulations and normative documents as well as the Articles of Association, the Company prepared the demonstration and analysis report on the Issuance plan.

(iv) Feasibility report on the use of the proceeds

In accordance with relevant provisions of the Company Law, the Securities Law, the Measures for the Administration of the Registration and other laws, regulations and normative documents, the Company studied and analysed the feasibility of the use of the proceeds from the issuance of shares to specific targets by simplified procedures and prepared the feasibility report on the use of the proceeds.

(v) Dilution on current returns due to the Issuance, measures for compensating returns and undertakings of the relevant entities

Pursuant to Opinions of the General Office of the State Council on Further Strengthening the Protection of Lawful Rights and Interests of Minority Investors in the Capital Markets (Guo Ban Fa [2013] No. 110), Several Opinions of the State Council on Further Promoting the Healthy Development of Capital Markets (Guo Fa [2014] No. 17), and Guiding Opinions on Matters Relating to the Dilution of Current Returns as a Result of Initial Public Offering, Refinancing and Major Asset Restructuring (CSRC Announcement [2015] No. 31) and other documents and in order to protect the interests of minority investors, the Company has analysed the effect of the Issuance on the dilution of current returns and has formulated detailed remedial measures with respect to the dilution of current returns, and the relevant entities have undertaken to effectively implement the measures of the Company for compensating returns.

(vi) Special report on the utilisation of the previously raised proceeds

In accordance with relevant provisions of the Company Law, the Securities Law, the Measures for the Administration of the Registration, Guidelines for the Application of Regulatory Rules – Issuance No. 7 and other laws, regulations and normative documents as well as the authorisation of the Company at the 2023 annual general meeting and based on the specific situation of the Company, the Company prepared the special report on the utilization of the previously raised proceeds.

(vii) Plan for Shareholders’ returns for next three years (2024-2026)

In order to further specify the reasonable investment returns for the Shareholders, increase the transparency and practicality of profit distribution decision-making and facilitate the supervision on the operation and profit distribution of the Company by Shareholders, the Company has formulated the plan for Shareholders’ returns for next three years (2024-2026) in accordance with the provisions of the Notice Regarding Further Implementation of Matters Relating to Cash Dividends of Listed Companies and the Guidelines No. 3 on Supervision of Listed Companies – Distribution of Cash Dividends of Listed Companies (revised in 2023) issued by the CSRC and the Articles of Association and based on the actual situation of the Company.

IV. GENERAL MANDATE

The A shares to be issued under the Issuance will be issued by the Company under the general mandate. At the AGM held on 30 April 2024, the Board was authorised to issue, allot and/or deal with no more than 20% of the total number of issued shares of the Company when the resolution in relation to the Issuance Mandate was passed (i.e. 69,800,000 shares). As at the date of this announcement, the Company has not issued any shares under the general mandate.

V. FUNDRAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has not conducted any fundraising activities involving the issue of equity securities in the 12 months immediately prior to the date of this announcement.

VI. REASONS AND BENEFITS FOR THE ISSUANCE

The implementation of the fund-raising investment project of the Issuance will be conducive to the optimisation of the product structure of the Company, the improvement of its position in the industry and the enhancement of the core competitiveness and profitability of the Company. The fund-raising investment project is in line with relevant national industrial policies, as well as the development trend of the industry in which the Company operates and its future development strategy, and has good market prospects and economic benefits, which is in the interests of the Company and all Shareholders.

VII. EFFECTS OF THE ISSUANCE ON SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming that a total of 69,800,000 A shares are to be issued, the shareholding structure of the Company as at the date of this announcement and immediately after the completion of the Issuance is as follows (assuming no other shares are to be issued by the Company from the date of this announcement up to and including the date of the completion of the Issuance):

	As at the date of this announcement		Immediately after the completion of the Issuance	
	Number of Shares	Approximate % ^(Note 3)	Number of Shares	Approximate % ^(Note 3)
A shares	<u>270,536,000</u>	<u>77.52%</u>	<u>340,336,000</u>	<u>81.26%</u>
Public A Shareholders	20,000,000	5.73%	20,000,000	4.78%
Other A Shareholders ^(Note 1)	250,536,000	71.79%	250,536,000	59.82%
Specific targets to which A shares are to be issued under the Issuance ^(Note 2)	–	–	69,800,000	16.67%
H shares	<u>78,464,000</u>	<u>22.48%</u>	<u>78,464,000</u>	<u>18.74%</u>
Public H Shareholders	69,431,600	19.89%	69,431,600	16.58%
Other H Shareholders ^(Note 1)	9,032,400	2.59%	9,032,400	2.16%
Total	<u><u>349,000,000</u></u>	<u><u>100%</u></u>	<u><u>418,800,000</u></u>	<u><u>100%</u></u>

Notes:

- The shares held by such Shareholders shall not be considered as being held in public hands, including: (i) 50,652,682 A shares held by Shandong Andre Group Co., Ltd.* (山東安德利集團有限公司) (“**Andre Group**”, controlled as to 90% by Mr. Wang An, a Director) and 4,005,858 A shares held by Yantai Lin’an Trading Co., Ltd. (烟台霖安商貿有限公司) (“**Lin’an Trading**”) (Lin’an Trading has unconditionally delegated the exercise of the voting right of such shares to Andre Group pursuant to the agreement, please refer to the announcement of the Company dated 15 April 2024 for more details); (ii) 46,351,961 A shares held by China Pingan Investment Holdings Limited (controlled as to 90% by Mr. Wang An, a Director); (iii) 65,779,459 A shares held by Donghua Fruit Industry Co., Ltd. (“**Donghua Fruit**”, controlled as to 100% by Ms. Wang Meng, a Director); (iv) 8,600,000 H shares held by Hongan International Investment Co., Ltd. (controlled as to 100% by Ms. Wang Meng, a Director); (v) 20,000,000 A shares held by Yantai Xing’an Investment Centre (Limited Partnership) (烟台興安投資中心 (有限合夥)), in which Mr. Zhang Hui (a former Director who has resigned on 29 April 2024) owns 36% partnership interest as a general partner, Mr. Wang Yanhui and Mr. Wang Kun, the Directors, and Mr. Huang Lian Bo, a supervisor, own 20%, 14% and 14% partnership interest as limited partners, respectively;

(vi) a total of 63,746,040 A shares 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) (its shares are listed on the Taiwan Stock Exchange Corporation, stock code: 1216), 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 A shares, and Guangzhou President Enterprises Co., Ltd. (廣州統一企業有限公司), which held 21,327,680 A shares, and 237,000 H shares held through Uni-President China Holdings Ltd.; and (vii) 195,400 H shares held by Mr. Liu Tsung-Yi, a Director.

2. It is expected that the A shares under the Issuance will be held by independent third parties and therefore will be counted as part of the public float.
3. Any discrepancies in this table between totals and sums of amounts listed herein are due to rounding.

Based on the information publicly available to the Company and to the best knowledge of the Directors, the Company has a public float of more than 25% as at the date of this announcement, which complies with the public float requirement under the Hong Kong Listing Rules. Assuming that a maximum of 69,800,000 A shares is expected to be held by independent third parties, the Company will have a public float of approximately 38.02% upon completion of the Issuance, which would still be able to comply with the public float requirement under the Hong Kong Listing Rules. It is not expected that the Issuance will result in a change in control of the Company.

VIII. EXTRAORDINARY GENERAL MEETING

The Company will convene an extraordinary general meeting to consider and, if thought fit, approve, among other things, the proposals in relation to (i) dilution on current returns due to the Issuance, measures for compensating returns and undertakings of the relevant entities; (ii) the special report on the utilisation of the previously raised proceeds; and (iii) the plan for Shareholders' returns for the next three years (2024-2026). A circular containing, among other things, details of the abovementioned Relevant Resolutions will be published and/or despatched to the Shareholders in due course in accordance with the requirements of the Hong Kong Listing Rules.

The Relevant Resolutions are subject to approval of the Shareholders at the extraordinary general meeting and the Issuance will be reported to the Shanghai Stock Exchange for review and implemented after the approval for registration by the CSRC, and is subject to uncertainty. The Company will fulfil its information disclosure obligations in a timely manner in accordance with the requirements, and the Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Yantai, the PRC, 9 May 2024

As of the date of this announcement, the executive Directors are Mr. Wang An, Mr. Wang Yan Hui, Mr. Wang Kun and Ms. Wang Meng, the non-executive Director is Mr. Liu Tsung-Yi, and the independent non-executive Directors are Mr. Gong Fan, Ms. Wang Yan and Mr. Li Yao.

** For identification purpose only*