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**烟台北方安德利果汁股份有限公司**

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

*(a joint stock limited company incorporated in the People's Republic of China)*

**(Stock code : 02218)**

## **DISCLOSEABLE TRANSACTION RESUMPTION OF LAND USE RIGHTS**

The Board hereby announces that Longkou Andre Juice, an indirect wholly-owned subsidiary of the Company, entered into the Land Resumption Agreement with Longkou Natural Resources and Planning Bureau\* (龍口市自然資源和規劃局) dated 6 November 2019, pursuant to which, Longkou Natural Resources and Planning Bureau will resume the land use rights of four parcels of land of Longkou Andre Juice located in the West of Tonghai Road and the South of Langyuan Road, Longkou City, with a total resumed land area of approximately 106,964 square meters. The Compensation payable to Longkou Andre Juice for the resumption of the Land Involved is approximately RMB84.2 million. The Compensation is comprised of: (i) compensation amount of approximately RMB45.2 million for the land and the buildings and fixtures erected thereon contemplated under the Land Resumption Agreement; and (ii) compensation amount of approximately RMB39.0 million for the construction of the new plant and other production facilities. To the best of the knowledge, information and belief of the Directors, having made all reasonable inquiries, Longkou Natural Resources and Planning Bureau is a government agency and a third party independent of the Company and its connected persons (as defined in the Listing Rules).

As the highest applicable percentage ratio (as defined in Rule 14.04(9) of the Listing Rules) in relation to the resumption of the Land Involved exceeds 5% but is less than 25%, the Transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notice and announcement requirements of the Listing Rules.

### **BACKGROUND**

The Board hereby announces that Longkou Andre Juice, an indirect wholly-owned subsidiary of the Company, entered into the Land Resumption Agreement with Longkou Natural Resources and Planning Bureau\* (龍口市自然資源和規劃局) dated 6 November 2019, pursuant to which Longkou Natural Resources and Planning Bureau will resume the land use rights of four parcels of land of Longkou Andre Juice located in Longkou City.

\* *For identification purpose only*

## **LAND RESUMPTION AGREEMENT**

The major terms of the Land Resumption Agreement are as follows:

### **Date**

6 November 2019

### **Parties**

Resuming Party: Longkou Natural Resources and Planning Bureau

Seller: Longkou Andre Juice

### **Land Involved**

According to the Land Resumption Agreement, Longkou Natural Resources and Planning Bureau shall resume the land use rights of four parcels of land of Longkou Andre Juice located in the West of Tonghai Road and the South of Langyuan Road, Longkou City, as well as the buildings and fixtures erected on the above-mentioned four parcels of land. The total area of the Land Involved to be resumed is approximately 106,964 square meters. As at 31 October 2019, the book value of the land use rights of the Land Involved contemplated under the Land Resumption Agreement was approximately RMB13.3 million, and the book value of the buildings and fixtures erected thereon was approximately RMB29.8 million.

### **Compensation**

According to the Land Resumption Agreement, the Compensation payable by Longkou Natural Resources and Planning Bureau to Longkou Andre Juice for the resumption of the Land Involved is approximately RMB84.2 million. The Compensation is comprised of: (i) compensation amount of approximately RMB45.2 million for the land and the buildings and fixtures erected thereon contemplated under the Land Resumption Agreement; and (ii) compensation amount of approximately RMB39.0 million for the construction of the new plant and other production facilities. The Compensation was negotiated by the parties on an arms' length basis based on the preliminary total compensation amount determined by the factors set out in the "Reasons and Benefits of the Transaction" section herein, and with reference to the book value of the Land Involved and the buildings and fixtures erected thereon.

## **Land Delivery Time and Payment Time**

Longkou Andre Juice shall deliver the Land Involved to Longkou Natural Resources and Planning Bureau\* in accordance with the Land Resumption Agreement within 20 business days after the Land Resumption Agreement is signed and becomes effective. Longkou Natural Resources and Planning Bureau\* shall pay the Compensation to Longkou Andre Juice in a lump sum within 90 days after the completion of the listing and transfer of the Land Involved.

## **REASONS AND BENEFITS OF THE TRANSACTION**

After the completion of the Transaction, Longkou Andre Juice will be relocated from its current location to the nearby Shiliang Town, Longkou City. In view of various factors such as the planning of the People's Government of Longkou City and the concentrated supply of raw fruits in the vicinity of Longkou Andre Juice, it is expected that the Transaction will bring better development results to the Group and better returns to the Shareholders when it is completed.

Based on the above reasons and benefits, the Board is of the view that the terms of the Transaction are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **IMPACT OF THE TRANSACTION ON THE COMPANY**

The Transaction will not have a material impact on the normal operation of the Group. Based on available information, the Group expects that the gain (before tax) from the Transaction will exceed RMB2.12 million, which is approximately 1.54% of the audited total profit of the Group for the fiscal year 2018. The expected gain represents the difference between (i) the Compensation; and (ii) the aggregate of the book value of the Land Involved held by the Group as at 31 October 2019 and the estimated expenses of the Company arising from the Transaction. This calculation method is an estimate for illustrative purpose only. Shareholders of the Company should note that the actual amount of the Group's gain from the Transaction will be subject to review by the Company's auditors.

The Company's proceeds will be used for investment in the construction of the new plant of Longkou Andre Juice.

## **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined in Rule 14.04(9) of the Listing Rules) in relation to the resumption of the Land Involved exceeds 5% but is less than 25%, the Transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements of the Listing Rules.

## GENERAL INFORMATION

Longkou Natural Resources and Planning Bureau\* is a government administrative agency under the Longkou Municipal Government, which is mainly responsible for overseeing the development and protection of natural resources, unifying research and right confirmation and registration, and establishing a system for paid use of natural resources. To the best of the knowledge, information and belief of the Directors, having made all reasonable inquiries, Longkou Natural Resources and Planning Bureau\* is a government agency and a third party independent of the Company and its connected persons (as defined in the Listing Rules).

Longkou Andre Juice is an indirect wholly-owned subsidiary of the Company mainly engaged in the production of fruit and vegetable juice and the packaging of related products, biological and comprehensive utilisation of pomace, and the sale of the above-mentioned self-produced products.

## DEFINITIONS

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

“Board”	the board of directors of the Company
“Company”	Yantai North Andre Juice Co., Ltd.* (烟台北方安德利果汁股份有限公司), a company incorporated in the PRC with limited liability, whose shares are listed and traded on the Main Board of the Stock Exchange of Hong Kong Limited (stock code: 2218)
“Compensation”	the compensation to be paid by Longkou Natural Resources and Planning Bureau* to Longkou Andre Juice in the amount of RMB84.2 million pursuant to the Land Resumption Agreement
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Land Involved”	the land use rights of the four parcels of land of Longkou Andre Juice located in the West of Tongyuan Road and the South of Langyuan Road, to be resumed by Longkou Natural Resources and Planning Bureau* pursuant to the Land Resumption Agreement, with a total resumed land area of approximately 106,964 square meters
“Land Resumption Agreement”	the land resumption agreement entered into by Longkou Natural Resources and Planning Bureau* and Longkou Andre Juice dated 6 November 2019 in relation to the Transaction

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longkou Andre Juice”	Yantai Longkou Andre Juice Co., Ltd. * (烟台龍口安德利果汁飲料有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China, for the purposes of this announcement, excluding Hong Kong, Macau and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	resumption of the Land Involved by Longkou Natural Resources and Planning Bureau* as stipulated under the Land Resumption Agreement
“%”	per cent

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

Yantai, the PRC, 6 November 2019

As at the date hereof, the Board comprises:

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