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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 SUBSCRIPTION FOR A SHARES OF TARGET COMPANY

The Board is pleased to announce that on December 8, 2020, the Company entered into the Subscription Agreement with the Target Company, pursuant to which, the Company has agreed to subscribe for 10,526,315 A shares to be issued by the Target Company by way of Non-public Issuance at the price of RMB9.50 per share.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Hong Kong Listing Rules) are more than 5% but less than 25%, the transaction contemplated under the Subscription Agreement constitutes a disclosable transaction, subject to the reporting and announcement requirements under Chapter 14 of the Hong Kong Listing Rules, but exempted from the shareholders' approval requirement under Chapter 14 of the Hong Kong Listing Rules.

INTRODUCTION

The Board is pleased to announce that on December 8, 2020, the Company entered into the Subscription Agreement with the Target Company, pursuant to which, the Company has agreed to subscribe for 10,526,315 A shares to be issued by the Target Company by way of Non-public Issuance at the price of RMB9.50 per share. Based on the maximum number of A shares of the Target Company to be issued pursuant to the Non-public Issuance (i.e. 139,107,753 shares), it is expected that the Company will own approximately 1.7% of the enlarged total issued shares of the Target Company upon completion.

PRINCIPAL TERMS OF THE SUBSCRIPTION

Date

December 8, 2020

* *For identification purposes only*

Parties:

- (1) The Company, as the subscriber
- (2) The Target Company, as the issuer

To the best knowledge, information and belief of the Directors having made all reasonable enquiry, the Target Company and its ultimate beneficial owners are the third parties independent of the Company and its connected persons.

Assets to be Acquired

The Company has agreed to subscribe for and the Target Company has agreed to allot and issue the Subscription Shares.

Subscription Price and Number of Subscription Shares

The Target Company shall invite the subscribers to participate in price bidding based on the minimum issue price of the Non-public Issuance, which is RMB9.50 per share, and list the valid quotations of the subscribers in descending order after carrying out the book-building in respect of all quotations. When the accumulative number of shares validly applied by no more than 35 subscribers reaches 139,107,753 or above for the first time, or the accumulative amount of valid applications for subscription reaches RMB1.1 billion or above for the first time, the corresponding valid quotation shall be determined as the issue price accordingly.

If the accumulative amount of valid applications for subscription is less than RMB1.1 billion and the accumulative number of shares represented by valid subscription applications does not exceed 139,107,753, the lowest valid quotation among all valid quotations listed in descending order shall be determined as the issue price for the Non-public Issuance.

Accordingly, the Company shall subscribe for 10,526,315 A shares of the Target Company in cash at the unit price of RMB9.50 per Subscription Share. The total subscription price is RMB99,999,992.50.

Payment Terms

The Company paid the Target Company a deposit of RMB600 million on December 1, 2020.

The Company transferred the total subscription price after deducting the deposit to the bank account designated by the Target Company before 15:00 on December 4, 2020.

Lock-up Period Arrangement

The Subscription Shares shall not be transferred within six months from the completion of the Non-public Issuance.

Entry into Force of the Subscription Agreement

The Subscription Agreement shall enter into force on the date of signing.

Completion

Upon the payment of the subscription price by the Company to the Target Company, the Target Company shall prepare certain filings with the China Securities Regulatory Commission, submit the application to the clearing and settlement agency for the registration in respect of the newly issued shares, and undertake the registration, custody and lock-up arrangements of newly issued shares and fulfill relevant disclosure obligations.

INFORMATION ON THE PARTIES

Information on the Company

The Company is principally engaged in the following businesses: (i) production and sale of various virgin pulp juice, fruit and vegetable juice, compound fruit and vegetable juice and edible fruit and vegetable essence, and food flavouring; (ii) processing and sale of iron packaging products; (iii) biological and comprehensive utilization of pomace; (iv) wholesale, import and export businesses of various virgin pulp juice, fruit and vegetable juice, compound fruit and vegetable juice, fruit pulps and edible fruit and vegetable essence, and food flavouring; and (v) leasing of proprietary premises.

Information on the Target Company

The Target Company is a company listed on the Shenzhen Stock Exchange (stock code: 002746), and is principally engaged in the parental broiler farming, hatching of chicken, production of feeds, commercial broiler farming and slaughtering, processing and sale of chicken meat products. Its principal products include commercial broiler and chicken meat products, with chicken meat products mainly sold in the forms of cut frozen chicken meat products, chilled chicken meat products and prepared food.

Set out below is a summary of the audited financial information as of and for the two years ended December 31, 2019 and a summary of unaudited financial information as of and for the nine months ended September 30, 2020 in respect of the Target Company prepared in according to PRC GAAP:

	As of/for the nine months ended September 30, 2020	As of/for the year ended December 31, 2019	As of/for the year ended December 31, 2018
	<i>RMB in millions (Unaudited)</i>	<i>RMB in millions</i>	<i>RMB in millions</i>
Operating income	2,377	3,533	2,578
Profit before taxation	328	1,072	422

	As of/for the nine months ended September 30, 2020	As of/for the year ended December 31, 2019	As of/for the year ended December 31, 2018
	<i>RMB in millions (Unaudited)</i>	<i>RMB in millions</i>	<i>RMB in millions</i>
Net profit	332	1,063	422
Net assets attributable to the shareholders of the listed company	3,438	3,296	2,448

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION FOR THE SHARES UNDER THE NON-PUBLIC ISSUANCE

Given that the Target Company has recorded sustainable and considerable profits in recent years, from the perspective of investment returns, Non-public Issuance will provide the Group with a good investment opportunity, enabling the Group to increase the investment income provided that the investment risks thereof will be under control and its normal operation will not be affected, so as to improve the efficiency of utilization of its own funds and to allocate idle self-owned capital in a reasonable manner.

The Directors are of the view that the Non-public Issuance and the terms of the Subscription Agreement are fair and reasonable, on normal commercial terms entered into in the general and ordinary course of business of the Group and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE HONG KONG LISTING RULES

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Hong Kong Listing Rules) are more than 5% but less than 25%, the transaction contemplated under the Subscription Agreement constitutes a disclosable transaction, subject to the reporting and announcement requirements under Chapter 14 of the Hong Kong Listing Rules, but exempted from the shareholders' approval requirement under Chapter 14 of the Hong Kong Listing Rules.

DEFINITIONS

“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 joint stock limited company incorporated in the PRC with limited liability, whose H shares and A shares have been listed on the Stock Exchange and Shanghai Stock Exchange, respectively

“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiary (ies)
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-public Issuance”	The issue of no more than 139,107,753 A shares (including 139,107,753 shares) by the Target Company to the subscribers (including the Company) at the subscription price of RMB9.50 per share to raise funds of no more than RMB1.1 billion (including RMB1.1 billion)
“PRC”	the People’s Republic of China, for the purposes of this announcement, excluding the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan
“PRC GAAP”	the generally accepted accounting principles in the PRC
“Shareholders”	the holder(s) of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“RMB”	Renminbi, the lawful currency of the PRC
“Subscription Agreement”	the share subscription agreement dated and effective from December 8, 2020 entered into between the Company and the Target Company, pursuant to which the Company has agreed to subscribe for 10,526,315 A shares of the Target Company in cash at the unit price of RMB9.50 per Subscription Share, with the total subscription price amounting to RMB99,999,992.50
“Subscription Shares”	10,526,315 ordinary shares (A Shares) with a nominal value of RMB1 each in the share capital of the Target Company to be issued to and subscribed by the Company under the Non-public Issuance which will be listed on Shenzhen to Stock Exchange

“Target Company” Shandong Xiantan Co., Ltd.* (山東仙壇股份有限公司), a joint stock company incorporated in the PRC with limited liability, issued shares of which are listed on Shenzhen Stock Exchange (stock code: 002746)

“%” per cent

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

Yantai, the PRC, December 8, 2020

As at the date of this announcement, the executive Directors are Mr. Wang An, Mr. Zhang Hui and Mr. Wang Yan Hui, the non-executive Director is Mr. Liu Tsung-Yi, and the independent non-executive Directors are Mr. Jiang Hong Qi, Mr. Li Wei and Mr. Li Yao.

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