



CHINA HUIYUAN JUICE GROUP LIMITED

中國滙源果汁集團有限公司*

(Incorporated in the Cayman Islands with Limited Liability)

(Stock Code: 1886)

FRAMEWORK AGREEMENT IN RESPECT OF PROPOSED TRANSACTION OF ACQUIRING CERTAIN INTERESTS OF SUNTORY CHINA AND MEMORANDUM OF UNDERSTANDING IN RESPECT OF PROPOSED SUBSCRIPTION OF NEW SHARES BY SUNTORY

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

The Board wishes to announce that, for the purposes of establishing a strategic partnership, the Company and Suntory China, on 20 March 2014, entered into (i) a Framework Agreement in relation to the proposed acquisition by a designated domestic subsidiary of the Company of the entire interest in Suntory Food and a 50% interests in Suntory Trading from Suntory China for an aggregate cash consideration of RMB117.66 million (subject to adjustment) (the “Proposed Transaction”); and (ii) a MOU together with Mr. Zhu and Suntory in respect of the proposed subscription by Suntory of certain amount of new Shares of the Company at an issue price to be agreed by the parties in accordance with the requirements of the applicable laws and the Listing Rules. It is expected the total value of the new Shares to be allotted and issued to Suntory will be an amount approximately equal to the aggregate amount of consideration for the Proposed Transaction.

Shareholders and potential investors are reminded that the Proposed Transaction and the Proposed Subscription are subject to, among other things, the entering into of the Acquisition Definitive Documentation and the Subscription Definitive Documentations the terms of which are yet to be finalised. The Framework Agreement and MOU may or may not lead to the entering into of the Definitive Documentation, accordingly, the Proposed Transaction and/or the Proposed Subscription may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

The Company will make further announcement(s) in relation to the Proposed Transaction and/or the Proposed Subscription as and when appropriate in accordance with the Listing Rules.

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Framework Agreement

On 20 March 2014, the Company and Suntory China entered into a Framework Agreement in relation to the proposed acquisition by a designated domestic subsidiary of the Company of the entire interest in Suntory Food and a 50% interests in Suntory Trading held by Suntory China as at the date of this announcement.

The Framework Agreement contains a legally binding obligation on the Company and Suntory China to enter into the Acquisition Definitive Documentation containing all terms of the Proposed Transaction and to initiate the anti-monopoly filing with MOFCOM in relation to the Proposed Transaction.

It is contemplated that the Acquisition Definitive Documentation shall include the following terms:

- The acquisition of the entire interest in Suntory Food and a 50% interests in Suntory Trading by a designated domestic subsidiary of the Company for an aggregate cash consideration of RMB117.66 million (subject to adjustment).
- The Company and Suntory China will each appoint representatives to the board of the JV, which shall be formed upon completion of the proposed acquisition of the 50% interests in Suntory Trading and the composition of a majority of which shall be controlled by Suntory China, to take effect on completion of the Proposed Transaction.
- The grant of an exclusive license from Suntory China and its parent or affiliates to the JV in connection with the use of Suntory Trademarks for the PRC market.

Memorandum of Understanding

At the same time as the entering into of the Framework Agreement, the Company, Mr. Zhu, Suntory China and Suntory also entered into a MOU in respect of the proposed subscription by Suntory of certain amount of new Shares of the Company at an issue price to be agreed by the parties in accordance with the requirements of the applicable laws and the Listing Rules.

It is intended the Proposed Subscription would bring Suntory to hold a minority interest in the Company with a possible right to sell those new Shares within an agreed period to the Company's controlling shareholder, China Hui Yuan Juice Holdings Co., Ltd. which holds an approximately 53.31% of the issued ordinary shares and the 100% of the unlisted non-redeemable convertible preference shares of the Company as at the date of this announcement.

It is expected the total value of the new Shares to be allotted and issued to Suntory will be an amount approximately equal to the aggregate amount of the consideration for the Proposed Transaction.

The MOU does not constitute the parties' legally binding commitments as to the Proposed Subscription, which is subject to the Subscription Definitive Documentation yet to be finalised, save and except each party agrees to be legally bound by certain confidentiality obligations.

Reasons for the Proposed Transaction and the Proposed Subscription

The Board considers the Proposed Transaction and the Proposed Subscription to be in the interests of the Company and its Shareholders as a whole.

The Company is a leading fruit and vegetable juice producer in China with a long established brand name and leading market position in the 100% and nectar juice segments. Suntory, the parent company of Suntory China, is a leading global beverage company with interests ranging from spirits and beer to beverage including teas and coffees. It is intended that the Proposed Transaction and the Proposed Subscription establish a strategic partnership between the Company and Suntory China for the sale and development of Suntory branded products, in particular, its teas and coffees in PRC consumer beverage market.

The Company expects that the proposed transactions will establish a strategic partnership between the Company and Suntory in the areas of product development, quality control and procurement and supply management and allow the Company to diversify its product portfolio to expand into other segments of the PRC beverage market, particularly in tea and coffee drinks.

As a result, the Company believes that the Proposed Transaction and the Proposed Subscription will further strengthen its competitive position in the PRC consumer beverage market and ultimately enhance shareholder value.

General

Shareholders and potential investors are reminded that the Proposed Transaction and the Proposed Subscription are subject to, among other things, the entering into of the Acquisition Definitive Documentation and the Subscription Definitive Documentation the terms of which are yet to be finalized. The Proposed Transaction and the Proposed Subscription are also subject to and conditional upon such conditions as may be agreed by the parties to the Definitive Documentation. The Framework Agreement and the MOU may or may not lead to the entering into of the Definitive Documentation, accordingly, the Proposed Transaction and the Proposed Subscription may or may not proceed. There is no assurance as to whether and when the Proposed Transaction and the Proposed Subscription will take place.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Suntory China and its ultimate beneficial owner are third parties independent of the Company and its connected persons, and the Proposed Transaction and the Proposed Subscription may constitute a discloseable transaction under the Listing Rules for the Company if the Proposed Transaction and the Proposed Subscription proceed.

The Company will make further announcement(s) in relation to the Proposed Transaction and/or the Proposed Subscription as and when appropriate in accordance with the Listing Rules.

Definitions

In this announcement, unless the context otherwise requires, the following expressions have the meanings set out below:

“Acquisition Definitive Documentation”	definitive agreements between the Company and Suntory China providing for the Proposed Transaction
“Board”	the board of Directors
“Company”	China Huiyuan Juice Group Limited (中國滙源果汁集團有限公司 *), an exempted company established under the laws of the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning given to it under the Listing Rules
“Definitive Documentation”	the Acquisition Definitive Documentation and the Subscription Definitive Documentation
“Directors”	the director(s) of the Company

“Framework Agreement”	the framework agreement dated 20 March 2014 entered into by the Company and Suntory China in relation to the Proposed Transaction
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“JV”	the joint venture to be formed between a designated domestic subsidiary of the Company and Suntory China upon completion of the proposed acquisition by a designated domestic subsidiary of the Company of the 50% interest in Suntory Trading
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Zhu”	Mr. Zhu Xinli, the Chairman, an executive director and the controlling shareholder of the Company
“MOFCOM”	Ministry of Commerce of the PRC
“MOU”	Memorandum of Understanding dated 20 March 2014 entered into between the Company, Mr. Zhu, Suntory China and Suntory in relation to the Proposed Subscription
“PRC” or “China”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, Macau Administrative Region of the PRC and Taiwan
“Proposed Subscription”	the proposed subscription by Suntory of certain amount of new Shares in the capital of the Company
“Proposed Transaction”	the proposed acquisition by a designated domestic subsidiary of the Company of the entire interest in Suntory Food and a 50% interest in Suntory Trading of Suntory China, upon completion of which Suntory Trading will become a joint venture between the Suntory China and a designated domestic subsidiary of the Company
“RMB”	Renminbi yuan, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended
“Shareholder(s)”	holders of the Share(s)
“Share(s)”	ordinary share(s) of nominal value of US\$0.00001 each in the capital of the Company

“Subscription Definitive Documentation”	definitive agreements between the Company and Suntory China or its related party providing for the Proposed Subscription
“Suntory”	Suntory Holdings Limited, the parent company of Suntory China
“Suntory China”	Suntory (China) Holding Co., Ltd. (三得利(中國)投資有限公司)
“Suntory Food”	Suntory (Shanghai) Foods Co., Ltd. (三得利(上海)食品有限公司)
“Suntory Trademarks”	trademarks registered in the PRC and owned by Suntory China and its parent or affiliates which shall be licensed to the JV after completion of the Proposed Transaction
“Suntory Trading”	Suntory (Shanghai) Foods Marketing Co., Ltd. (三得利(上海)食品貿易有限公司)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
China Huiyuan Juice Group Limited
ZHU Xinli
Chairman

Beijing, 20 March 2014

As at the date of this announcement, the directors of the Company are Mr. ZHU Xinli, Mr. JIANG Xu and Mr. CUI Xianguo as executive directors, Mr. Andrew Y. YAN as a non-executive director, Ms. ZHAO Yali, Mr. SONG Quanhong, Mr. LEUNG Man Kit and Mr. ZHAO Chen as independent non-executive directors.

* *For identification purposes only*