



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: 8259)



First Quarterly Report

For the three months ended 31 March 2008

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This report, for which the directors (the “Directors”) of Yantai North Andre Juice Co., Ltd. (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (“GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in This report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in This report misleading; and (3) all opinions expressed in This report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

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Yantai North Andre Juice Co., Ltd.*

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QUARTERLY RESULTS (UNAUDITED)

The Board of Directors (the "Board") of the Company is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the three months ended 31 March 2008, with the comparatives of the corresponding period in 2007, as follows:

Consolidated Income Statement

	Note	Unaudited	
		For the three months ended 31 March	
		2008	2007
		RMB'000	RMB'000
Turnover	2	532,612	324,800
Cost of sales		(373,049)	(267,917)
Gross Profit		159,563	56,883
Other operating income		10,369	1,545
Distribution expenses		(21,901)	(14,919)
Administrative expenses		(9,138)	(5,732)
Profit from operations		138,893	37,777
Net finance costs		(4,890)	(8,769)
Share of profit from an associate		703	715
Profit before taxation		134,706	29,723
Income tax	3	(22,066)	(1,620)
Profit for the period		112,640	28,103
Attributable to:			
Equity shareholders of the Company		111,003	27,927
Minority interests		1,637	176
Profit for the period		112,640	28,103
Dividends payable to equity shareholders of the Company	4	–	–
Basic and diluted earnings per share	5	RMB0.026	RMB0.007

* For identification purpose only

Notes:

1. Basis of preparation and accounting policies

The principal accounting policies adopted in preparing the unaudited consolidated results for the three months ended 31 March 2008 conform with International Financial Reporting Standards (“IFRS”) promulgated by the International Accounting Standards Board (“IASB”). IFRS include International Accounting Standards (“IAS”) and Interpretations. These unaudited consolidated results for the three months ended 31 March 2008 also comply with the applicable disclosure provisions of the GEM Listing Rules.

The unaudited consolidated results for the three months ended 31 March 2008 are prepared on the historical cost basis.

The accounting policies have been consistently applied by the Group and are consistent with those used in the preparation of the Group’s consolidated financial statements for the year ended 31 December 2007.

The preparation of the financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

2. Turnover

The Group is principally engaged in the production and sale of condensed juice. Turnover primarily represents income arising from the sale of condensed juice net of value added tax.

3. Income tax

On 16 March 2007, the Fifth Session of the Tenth National People’s Congress approved the Corporate Income Tax Law of the PRC (“New Tax Law”) which is effective from 1 January 2008. Under the New Tax Law, the applicable tax rate of the Company and subsidiaries other than Baishui Andre Juice Co., Ltd.* (白水安德利果蔬汁有限公司) and Baishui Andre Bio-feed stuff Co., Ltd.* (白水安德利生物飼料有限公司) has been changed to 25% from 1 January 2008. Baishui Andre Juice Co., Ltd.* and Baishui Andre Bio-feed stuff Co., Ltd.* can continue to enjoy a preferential tax rate of 15%. In accordance with the relevant PRC tax rules and regulations, certain of the Company’s subsidiaries are exempt from PRC income tax for two consecutive years starting from their first profit-making year, and are entitled to a 50% relief on PRC income tax for the following three years.

The subsidiary operating in the United States is subject to income tax at the appropriate current rates of taxation ruling in the United States.

4. Dividends

The Board does not recommend the payment of an interim dividend for the three months ended 31 March 2008 (2007: Nil).

5. Basic and diluted earnings per share

The calculation of basic and diluted earnings per share is based on the unaudited profit attributable to equity shareholders of the Company for the three months ended 31 March 2008 of approximately RMB111,003,000 (2007: RMB27,927,000) and the weighted average of 4,265,536,000 shares (2007: 3,979,536,000 shares after adjusting for the capitalization issue in November 2007) in issue during the period.

There was no difference between basic and diluted earnings per share as there were no potential dilutive ordinary shares outstanding for the three months ended 31 March 2008 and 2007.

6. Changes in equity

	Paid-in capital <i>RMB'000</i>	Capital surplus <i>RMB'000</i>	Share premium <i>RMB'000</i>	Statutory reserves <i>RMB'000</i>	Retained earnings <i>RMB'000</i>	Total equity attributable to equity shareholders		Total equity <i>RMB'000</i>
						of the Company <i>RMB'000</i>	Minority interests <i>RMB'000</i>	
Balance at 1 January 2008	426,554	10	166,761	107,038	321,939	1,022,302	71,137	1,093,439
Acquisition of a subsidiary	-	-	-	-	-	-	8,849	8,849
Profit for the period	-	-	-	-	111,003	111,003	1,637	112,640
Balance at 31 March 2008	<u>426,554</u>	<u>10</u>	<u>166,761</u>	<u>107,038</u>	<u>432,942</u>	<u>1,133,305</u>	<u>81,623</u>	<u>1,214,928</u>

	Paid-in capital <i>RMB'000</i>	Capital surplus <i>RMB'000</i>	Share premium <i>RMB'000</i>	Statutory reserves <i>RMB'000</i>	Retained earnings <i>RMB'000</i>	Total equity attributable to equity shareholders		Total equity <i>RMB'000</i>
						of the Company <i>RMB'000</i>	Minority interests <i>RMB'000</i>	
Balance at 1 January 2007	180,888	10	274,816	83,594	158,642	697,950	9,587	707,537
Profit for the period	-	-	-	-	27,927	27,927	176	28,103
Balance at 31 March 2007	<u>180,888</u>	<u>10</u>	<u>274,816</u>	<u>83,594</u>	<u>186,569</u>	<u>725,877</u>	<u>9,763</u>	<u>735,640</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

For the three months ended 31 March 2008, the Group's turnover increased to approximately RMB532,612,000 as compared to approximately RMB324,800,000 for the corresponding period in 2007, representing an increase of approximately RMB207,812,000 or 64%. The Group's turnover was principally derived from the manufacture and sale of apple juice concentrate, pear juice concentrate, apple essence, feedstuff and related products. The increase in turnover was mainly attributable to the increase in selling price of apple juice concentrate. The increase in selling price was mainly attributable to the market demand of the Group's products.

For the three months ended 31 March 2008, the Group's gross profit was approximately RMB159,563,000 and the gross profit margin was approximately 30%. For the corresponding period in 2007, the gross profit was approximately RMB56,883,000 and gross profit margin was approximately 18%.

For the three months ended 31 March 2008, the Group's net profit (i.e. the profit for the period attributable to equity shareholders of the Company) increased to approximately RMB111,003,000, as compared to approximately RMB27,927,000 for the corresponding period in 2007, representing an increase of approximately RMB83,076,000 or 297%. The increase in net profit was mainly attributable to the increase in selling price of the Group's products.

For the three months ended 31 March 2008, the other operating income of the Group was approximately RMB10,369,000, as compared to approximately RMB1,545,000 for the corresponding period in 2007, representing an increase of approximately RMB8,824,000. Such increase was mainly attributable to the Group's acquisition of the equity interests in Qingdao Nannan Beverage Co., Ltd.* (青島南南飲料有限公司) by 31 March 2008, when the fair value of the identified net assets of the target company exceeded the acquisition price by approximately RMB9,908,000.

For the three months ended 31 March 2008, the Group incurred distribution expenses of approximately RMB21,901,000, as compared to approximately RMB14,919,000 for the corresponding period in 2007, representing an increase of approximately RMB6,982,000. The Group's distribution expenses mainly included transport, export inspection and marketing expenses. Such increase was mainly attributable to the increase in land transportation unit cost, export inspection expenses and storage fees.

For the three months ended 31 March 2008, the Group incurred administration expenses of approximately RMB9,138,000 as compared to approximately RMB5,732,000 for the corresponding period in 2007, representing an increase of approximately RMB3,406,000. Such increase was mainly attributable to the commencement of operation of a new factory in Yongji in the second half of 2007 and the completion of acquisition of a subsidiary, Binzhou Andre Fruit Juice Co., Ltd.* (濱州安德利果汁飲料有限公司) ("Binzhou Andre"), in June 2007 which led to an increase in general administrative expenses in 2008.

For the three months ended 31 March 2008, the net finance costs of the Group were approximately RMB4,890,000, as compared to approximately RMB8,769,000 for the corresponding period in 2007, representing a decrease of approximately RMB3,879,000. Such decrease was mainly due to the repayment of loan, reduction in borrowings and increase in exchange gain caused by appreciation of RMB.

Business Review

Cooperation with International Financial Institutions

Under the trend of continued appreciation of Renminbi against US dollar, the Group has enhanced its cooperation with international renowned financial institutions to appropriately increase the proportion of US dollar in the loan portfolio as a whole. The Directors believe that such long-term and short-term US dollar funding arrangements can reduce the Group's exchange rate risk and finance cost, and can facilitate better business development.

Enhancing Market Coverage

With years of continuous efforts, the Group has already expanded its sales network to major countries and regions in the world, including the US, Japan, European countries and PRC market.

Optimization of Customer Base

While expanding its markets and market share, the Group is also optimizing its customer profile by taking advantage of insufficient product supply in recent years. Currently, the customer base of the Company mainly comprises the renowned beverage manufacturers of the world.

Cooperation with International Renowned Enterprises

On 28 February 2008, the Group entered into a share transfer agreement with AGRANA Juice GmbH ("AGRANA"), a wholly owned subsidiary of AGRANA AG, for the sale of 50% equity interest in its subsidiary, Yongji Andre Juice Co., Ltd.* (永濟安德利果蔬汁有限公司) ("Yongji Andre") to AGRANA. AGRANA AG is one of the world's leaders in fruit preparations and Europe's largest manufacturer of fruit juice concentrates. The Directors are of the view that with the experience of AGRANA in the fruit preparations and fruit juice concentrates sectors, the further strategic alliance with AGRANA in Yongji Andre, in addition to its strategic alliance with the Company in Xianyang Andre, will provide more opportunities to the Company to further develop its markets and distribution channels in Europe as well as in other international markets, thereby enhancing the market capabilities and sales volume of the Company. As at the date of this results report, the above share transfer has not yet been completed.

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Further Acquisition of Binzhou Andre

On 17 March 2008, the Group (as purchaser) entered into a share acquisition agreement with Korea Jeong Soo Andre Co., Ltd. (as vendor), whereby subject to certain conditions precedent, the Group agreed to purchase from Korea Jeong Soo Andre Co., Ltd. 49% equity interest in Binzhou Andre. Binzhou Andre was 51% owned by the Group before the above transaction and will become a wholly owned subsidiary of the Group upon completion. The Board considers that the above acquisition represents a good opportunity for the Company to increase its production capacity and to obtain better control and management of Binzhou Andre. As at the date of this results report, the above share acquisition has not yet been completed.

Future Prospects

Expand Markets

While strengthening its position in the existing markets, the Group will at the same time focus on market diversification. In respect of the overseas market, apart from strengthening its US market and the developed European market and Japanese market, the Group is actively liaising with its various customers with a view to achieving further breakthroughs in the European, North American, Asian and even Australian markets. At the same time, the Group will actively promote its products in the domestic PRC market.

Development of Financing Channels

With the continued appreciation of Renminbi against US dollar, the Group will actively engage in cooperation with international financial institutions to diversify its financing channels, enlarge financing means, especially with regard to long-term US dollar funding arrangements which may facilitate the reduction of the Group's exchange rate risk and finance cost, improve capital structure, strengthen risk-resistant capability and at the same time enhance the Group's business development.

Further Increase Juice Production Capacity

To meet the growing demand for juice concentrate both in local and overseas markets, the Group will continue to increase and expand its production lines and to increase its production capacity. The Group plans to build a new production line at Xianyang Andre and to renovate a production line at Muping Andre so as to expand its production capacity. Upon completion of such expansion, the Group will then have 13 modern production lines for fruit juice, and reach an annual production capacity of 310,000 tonnes (including controlled and jointly controlled entities) before the start of the new pressing season.

Construction of Production Lines for Fruit Pulp

To meet increasing demand for apple pulp in the international market, the Group plans to build a new production line for apple pulp with an annual capacity of 10,000 tonnes at the present Muping production base, so as to increase the product variety of the Group and to improve corporate effectiveness.

Accelerate Pace for Acquisition and Merger

The Group will continue to target small and medium enterprises in the industry, domestic or abroad, to further increase the Group's annual production capacity for juice concentrate through capital activities such as merger and acquisition, and to strengthen its leading position in the industry.

Enhance Pectin Production Capacity

The pectin production equipment of the Yantai plant with an annual production capacity of 2,000 tonnes has successfully commenced mass production. On the basis of the successful mass production of the current pectin production line, the Group is planning to start the construction of the second pectin production line as soon as possible to lift the production capacity of pectin to 4,000 tonnes per annum, with a view to increasing pectin production capacity as soon as possible to achieve economy of scale.

Continue Development of Traceability and Farm Management Improvement Linkages Project

With five trial villages (with 1,747 acreages) in Yantai successfully recognized by EUREPGAP in 2007, the Group will experiment with trial villages in Xianyang district of Shanxi Province to implement EUREPGAP projects, so as to gain expertise, and build a solid foundation for large scale promotion for such projects.

Product Diversification for Pectin Products

The Group will strive to apply as later rolling projects under the National Science and Technology Support Program of the "11th Five-Year Plan" to develop more than 10 new products, among them, low methoxyl pectin, amidated low methoxyl pectin, citrous pectin and compound collid, so as to achieve pectin product diversification and maximization of product effectiveness.

LOAN AGREEMENT WITH IFC

On 21 April 2005, the Company entered into a loan agreement (the “Loan Agreement”) with IFC for a loan of US\$15,000,000 (approximately HK\$117,000,000) repayable commencing on 15 March 2007 by 10 approximately equal instalments until all monies payable under the Loan Agreement have been fully repaid.

Pursuant to the Loan Agreement, Glory Cause Land Afforestation Co., Ltd.* (光彩事業國土綠化整理有限公司), being the then controlling shareholder of the Company, Beijing RAJ Network Sales Co., Ltd.* (北京瑞澤網絡銷售有限責任公司), Yantai Donghua Fruit Co., Ltd.* (烟台東華果業有限公司) and Donghua Fruit Industry Co., Ltd. have collectively undertaken to IFC and the Company to retain their legal and beneficial aggregate ownership of not less than 40% in the issued share capital of the Company so long as any part of the principal of or interest on the loan under or any other sums due under the Loan Agreement remain outstanding and unpaid. In the event that their legal and beneficial aggregate ownership falls below the above aggregate percentage level, the Company shall be required to repay the principal amount of the loan from time to time outstanding and the interest thereon accrued.

On 21 March 2006, after the subscription of H shares in the Company by IFC, the Company entered into an Amended and Restated Agreement to the Loan Agreement (the “Amended Loan Agreement”) with IFC to amend the facility to be granted by IFC under the Loan Agreement from US\$15,000,000 to US\$8,000,000 and to make certain other incidental changes to the Loan Agreement, including the cancellation of all assets charged by IFC. The Amended Loan Agreement was signed subject to the entering into of (a) the Yantai Share Retention Agreement, pursuant to which each of Glory Cause Land Afforestation Co., Ltd.* (光彩事業國土綠化整理有限公司), being the then controlling shareholder of the Company, Beijing RAJ Network Sales Co., Ltd.* (北京瑞澤網絡銷售有限責任公司), Yantai Donghua Fruit Co., Ltd.* (烟台東華果業有限公司) and Donghua Fruit Industry Co., Ltd. will undertake to maintain an aggregate interest of no less than 40% in the issued share capital of the Company; and (b) Donghua Share Retention Agreement, pursuant to which Mr. Wang An and Mr. Zhang Hui will agree to maintain the specified percentage interests in each of Yantai Donghua Fruit Co., Ltd.* (烟台東華果業有限公司) and Donghua Fruit Industry Co., Ltd.. As at the date of this results report, both the Yantai Share Retention Agreement and the Donghua Share Retention Agreement have not yet been finalised and the loan of US\$8,000,000 under the Amended Loan Agreement is not yet available to be drawn down.

TERM FACILITY AGREEMENT WITH CERTAIN FINANCIAL INSTITUTIONS

On 2 June 2006, the Company as borrower entered into the Term Facility Agreement with certain financial institutions as the lenders whereby the lenders agreed to make available to the Company a term facility in an aggregate amount of US\$60,000,000 (approximately HK\$468,000,000).

The terms of the Term Facility Agreement impose specific performance obligations on the part of the controlling shareholders of the Company. Under the Term Facility Agreement, each of the following will constitute an event of default upon which the facility will, among other things, become immediately due and payable: (i) Mr. Wang An does not or ceases to have or is not or ceases to be entitled to exercise, directly or through his controlled corporations, management control over each of the Company and its major subsidiaries; or (ii) the aggregate shareholding in the Company that is beneficially owned by Mr. Zheng Yue Wen and Mr. Wang An, whether directly or through their respective controlled corporations, is not or ceases to be larger than the aggregate shareholding (whether direct or indirect) in the Company of and/or held to the order of any other person and/or persons acting in concert with such other person.

As at the date of this results report, Mr. Wang An, directly or through his respective controlled corporations, collectively held approximately 27.85% of the total issued share capital of the Company, being the single largest shareholder of the Company. Mr. Zheng Yue Wen ceases to have any equity interest in the Company since 27 March 2008. Both Mr. Zheng Yue Wen and Mr. Wang An are executive Directors of the Company.

MATERIAL ACQUISITION AND DISPOSAL

The Company entered into/completed the following material acquisition and disposal during the three months ended 31 March 2008.

- (i) disposal of 50% equity interest of Yongji Andre to AGRANA, a subsidiary of AGRANA AG, on 28 February 2008 (up to the date of issue of this results report, such disposal has not been completed);
- (ii) acquisition of 49% equity interest of Binzhou Andre from Korea Jeong Soo Andre Co., Ltd. on 17 March 2008 (up to the date of issue of this results report, such acquisition has not been completed); and
- (iii) acquisition of 70% equity interest of Qingdao Nannan Beverage Co., Ltd.* (青島南南飲料有限公司) from Qingdao Nannan Co., Ltd.* (青島南南有限公司) and Korea Nan Yeung Industrial Co., Ltd. on 2 October 2007 (such acquisition was completed on 31 March 2008).

Apart from the above transactions, no material acquisitions or disposals of subsidiaries and associated companies have been made by the Company during the period ended 31 March 2008.

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PURCHASE, SALE OR REDEMPTION OF SHARES

During the three months ended 31 March 2008, neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company's shares.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

None of the Directors or supervisors (the "Supervisors") of the Company or their respective associates was granted by the Company or its subsidiaries any right to acquire shares or debentures of the Company or any other body corporate, or had exercised any such right as at 31 March 2008.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES OF THE COMPANY

As at 31 March 2008, the interests and short positions of the Directors, the Supervisors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were (a) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); and (b) required to be recorded in the register kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Long positions in the shares of the Company

Name of directors	Class of shares	Number of shares held	Capacity	Type of interest	Percentage in domestic shares	Percentage in total share capital
Wang An (Note 1)	Domestic shares	1,188,105,006 (L)	Interest of controlled corporation	Personal	47.42%	27.85%

Notes:

- (1) As at 31 March 2008, Mr. Wang An, a director of the Company, controlled 90% interest in China Pingan Investment Holdings Limited and 80% interest in Shandong Andre Group Co., Ltd.* (山東安德利集團有限公司). By an agreement dated 29 May 2007, Shandong Andre Group Co., Ltd.* agreed to purchase and Glory Cause Land Afforestation Co., Ltd.*, a company previously controlled by Mr. Zheng Yue Wen, a director of the Company, agreed to sell, among other things, 60,000,000 domestic shares (which after completion of the placing on 16 July 2007 and the capitalization issue on 19 November 2007 amounted to 132,000,000 domestic shares) in the Company, subject to approval by the relevant PRC government authority. On 27 March 2008, such transfer was approved by the relevant government authority. Upon

completion of the transfer from Glory Cause Land Afforestation Co., Ltd.*, the aggregate interest in shares of Mr. Wang An through his controlled corporations, namely, China Pingan Investment Holdings Limited and Shandong Andre Group Co., Ltd.* amounted to 1,188,105,006 domestic shares, representing approximately 27.85% of the total share capital of the Company as at 31 March 2008.

(2) The letter “L” denotes a long position.

SUBSTANTIAL SHAREHOLDERS’ AND OTHER PERSONS’ INTERESTS IN SHARES AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2008, so far as the Directors are aware, the following persons (other than the Directors, Supervisors and the chief executive of the Company) had interests and short positions in the shares and underlying shares of the Company which are discloseable under Divisions 2 and 3 of Part XV of the SFO and recorded in the register kept by the Company pursuant to section 336 of the SFO:

Long positions in the shares of the Company

Name of substantial shareholder	Class of shares	Number of shares held	Capacity	Type of interest	Percentage in domestic shares/H shares	Percentage in total share capital
China Pingan Investment Holdings Limited <i>(Note 2)</i>	Domestic shares	441,519,606 (L)	Beneficial owner	Corporate	17.62%	10.35%
山東安德利集團有限公司 Shandong Andre Group Co., Ltd.* <i>(Note 2)</i>	Domestic shares	746,585,400 (L)	Beneficial owner	Corporate	29.80%	17.50%
HSBC International Trustee Limited <i>(Note 3)</i>	Domestic shares	626,340,000 (L)	Trustee	Corporate	25.00%	14.68%
Prosper United Limited <i>(Note 3)</i>	Domestic shares	626,340,000 (L)	Interest of controlled corporation (controlling 100% interest of such corporation)	Corporate	25.00%	14.68%
ACME Team International Limited <i>(Note 3)</i>	Domestic shares	626,340,000 (L)	Interest of controlled corporation (controlling 100% interest of such corporation)	Corporate	25.00%	14.68%
Donghua Fruit Industry Co., Ltd. <i>(Note 3)</i>	Domestic shares	626,340,000 (L)	Beneficial owner	Corporate	25.00%	14.68%
統一企業股份有限公司 Uni-President Enterprises Corp. <i>(Note 4)</i>	Domestic shares	186,329,594	Beneficial controlled corporation (controlling 100% interest of such corporation)	Corporate	7.44%	4.37%

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Name of substantial shareholder	Class of shares	Number of shares held	Capacity	Type of interest	Percentage in domestic shares/H shares	Percentage in total share capital
Cayman President Holdings Ltd. (Note 4)	Domestic shares	186,329,594	Interest of controlled corporation (controlling 100% interest of such corporation)	Corporate	7.44%	4.37%
統一亞洲控股有限公司 Uni-President Asia Holdings Limited (Note 4)	Domestic shares	186,329,594 (L)	Interest of controlled corporation (controlling 100% interest of such corporation)	Corporate	7.44%	4.37%
統一企業(中國)投資有限公司 President Enterprises (China) Investment Co. Ltd. (Note 4)	Domestic shares	186,329,594 (L)	Interest of controlled corporation (controlling 100% interest of such corporation)	Corporate	7.44%	4.37%
成都統一企業食品有限公司 Chengdu President Enterprises Food Co., Ltd. (Note 4)	Domestic shares	186,329,5904 (L)	Beneficial owner	Corporate	7.44%	4.37%
烟台安林果業有限公司 Yantai Anlin Fruit Industry Co., Ltd.* (Note 5)	Domestic shares	394,585,400 (L)	Beneficial owner	Corporate	15.75%	9.25%
Atlantis Investment Management Ltd.	H shares	440,068,000 (L)	Investment manager	Corporate	25.00%	10.32%
Invesco Hong Kong Limited (previously known as Invesco Asia Limited)	H shares	158,781,000 (L)	Investment manager	Corporate	9.02%	3.72%
JP Morgan Chase & Co. (Note 6)	H shares	129,420,820 (L) 129,420,820 (P)	Custodian corporation/ approved lending agent	Corporate	7.35%	3.03%
Mitsui & Co., Ltd. (Note 7)	H shares	213,400,000 (L)	Beneficial owner	Corporate	12.12%	5.00%
International Finance Corporation (Note 7)	H shares	110,000,000 (L)	Beneficial owner	Corporate	6.25%	2.58%
Everest Capital Limited (Note 7)	H shares	106,172,000 (L)	Beneficial owner	Corporate	6.03%	2.49%
HSBC Investments (Hong Kong) Limited (Note 7)	H shares	90,068,000 (L)	Investment manager	Corporate	5.12%	2.11%

Notes:

The above information relating to substantial shareholders of H shares is based on the information available on the website of the Stock Exchange.

- (1) The letter “L” denotes a long position; the letter “P” denotes a lending pool.
- (2) As at 31 March 2008, Mr. Wang An, a director of the Company, controlled 90% interest in China Pingan Investment Holdings Limited and 80% interest in Shandong Andre Group Co., Ltd.* (山東安德利集團有限公司). By an agreement dated 29 May 2007, Shandong Andre Group Co., Ltd.* agreed to purchase and Glory Cause Land Afforestation Co., Ltd.*, a company previously controlled by Mr. Zheng Yue Wen, a director of the Company, agreed to sell, among other things, 60,000,000 domestic shares (which after completion of the placing on 16 July 2007 and the capitalization issue on 19 November 2007 amounted to 132,000,000 domestic shares) in the Company, subject to approval by the relevant PRC government authority. On 27 March 2008, such transfer was approved by the relevant government authority. Upon completion of the transfer from Glory Cause Land Afforestation Co., Ltd.*, the aggregate interest in shares of Mr. Wang An through his controlled corporations, namely, China Pingan Investment Holdings Limited and Shandong Andre Group Co., Ltd.* amounted to 1,188,105,006 domestic shares, representing approximately 27.85% of the total share capital of the Company as at 31 March 2008.
- (3) As at 31 March 2008, Donghua Fruit Industry Co. Ltd. was 100% controlled by ACME Team International Limited, a corporation which was 100% controlled by Prosper United Limited, which was in turn 100% controlled by HSBC International Trustee Limited.
- (4) As at 31 March 2008, Chengdu President Enterprises Food Co., Ltd. (成都統一企業食品有限公司) was 100% controlled by President Enterprises (China) Investment Co. Ltd. (統一企業(中國)投資有限公司), which was in turn 100% controlled by Uni-President Asia Holdings Limited (統一亞洲控股有限公司). Uni-President Asia Holdings Limited (統一亞洲控股有限公司) was 100% controlled by Cayman President Holdings Ltd., which was in turn 100% controlled by Uni-President Enterprises Corp. (統一企業股份有限公司).
- (5) By an agreement dated 29 May 2007, Yantai Anlin Fruit Industry Co., Ltd.* agreed to purchase and Glory Cause Land Afforestation Co., Ltd.*, a company previously controlled by Mr. Zheng Yue Wen, a director of the Company, agreed to sell, among other things, 179,357,000 domestic shares (which after completion of the placing on 16 July 2007 and the capitalization issue on 19 November 2007 amounted to 394,585,400 domestic shares) in the Company, subject to approval by the relevant PRC government authority. On 27 March 2008, such transfer was approved by the relevant government authority. Upon completion of the transfer from Glory Cause Land Afforestation Co., Ltd.*, the interest in shares of Yantai Anlin Fruit Industry Co., Ltd.* in the Company amounted to approximately 9.25% of the total share capital of the Company as at 31 March 2008.
- (6) JP Morgan Chase & Co. held 129,420,820 H shares representing 7.35% of the total H shares and 3.03% of the total share capital of the Company respectively. The 129,420,820 H shares were directly held by JP Morgan Chase Bank N.A, a corporation 100% controlled by JP Morgan Chase & Co..
- (7) Information relating to these shareholders is based on the information disclosed on the website of the Stock Exchange prior to completion of the capitalization issue on 19 November 2007 as adjusted by the changes in the share capital of the Company upon completion of the capitalization issue.

* For identification purpose only

COMPETING INTERESTS

As at 31 March 2008, none of the Directors, the management shareholders of the Company and their respective associates (as defined under the GEM Listing Rules) had any interest in a business which competes or may compete with the businesses of the Group or has or may have any other conflicts of interest with the Group.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference based on the guidelines recommended by the Hong Kong Institute of Certified Public Accountants. The primary duties of the audit committee are to review and provide supervision over the financial reporting process and internal control of the Group. The audit committee comprises three independent non-executive Directors, namely Wu Jian Hui, who is the Chairman of such committee, Qu Wen and Yu Shou Neng. The audit committee has reviewed the accounting principles and practices adopted by the Group and discussed with the Directors about internal controls and financial reporting matters including a review of the first quarterly results for the three months ended 31 March 2008.

By Order of the Board
Zheng Yue Wen
Chairman

As at the date hereof, the Board comprises:

Mr. Zheng Yue Wen (*Executive Director*)
Mr. Wang An (*Executive Director*)
Mr. Zhang Hui (*Executive Director*)
Mr. Yu Hui Lin (*Executive Director*)
Mr. Jiang Hong Qi (*Executive Director*)
Mr. Li Ye Sheng (*Executive Director*)
Mr. Lo Chih-Hsien (*Non-executive Director*)
Mr. Wu Jian Hui (*Independent non-executive Director*)
Ms. Yu Shou Neng (*Independent non-executive Director*)
Ms. Qu Wen (*Independent non-executive Director*)

Yantai, the PRC, 13 May 2008