
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Yantai North Andre Juice Co., Ltd.***, you should at once hand this circular, the enclosed form of proxy and reply slip to the purchaser or the transferee or to the bank, licensed dealer in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



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 AND CONNECTED TRANSACTION
DISPOSAL OF 18.95% INTEREST IN ANDRE PECTIN
AND
NOTICE OF SPECIAL GENERAL MEETING**

***INDEPENDENT FINANCIAL ADVISER TO
THE INDEPENDENT BOARD COMMITTEE AND
THE INDEPENDENT SHAREHOLDERS IN RELATION TO THE DISPOSAL***



**大有融資有限公司
MESSIS CAPITAL LIMITED**

A letter from the Board of the Company is set out on pages 4 to 13 of this circular. A letter from the Independent Board Committee of the Company is set out on page 14 of this circular. A letter from the Independent Financial Adviser is set out on pages 15 to 28 of this circular, which contains its recommendations to the Independent Board Committee and the Independent Shareholders in relation to the Disposal.

The notice convening the SGM to be held at 2nd Floor, No. 18 Andre Avenue, Muping Economic Development Zone, Yantai City, Shandong Province, the PRC at 10:00 a.m. on Monday, 19 August 2013 is set out on pages 35 to 36 of this circular.

Whether or not you are able to attend such meeting, you are required to complete and sign the enclosed form of proxy in accordance with the instructions printed thereon. For H Shareholders, the proxy form shall be delivered to the Company's H Share registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong; and for Domestic Shareholders, the proxy form shall be delivered to the registered office of the Company at No. 18 Andre Avenue, Muping Economic Development Zone, Yantai City, Shandong Province, the PRC as soon as possible but in any event not later than 24 hours before the time appointed for the holding of the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof if you so wish.

If you wish to attend the SGM in person or by proxy, you are required to complete and return the reply slip to the principal place of business of the Company in Hong Kong (for H Shareholders) or to the registered office of the Company (for Domestic Shareholders) on or before Tuesday, 30 July 2013.

* For identification purpose only

3 July 2013

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	4
LETTER FROM THE INDEPENDENT BOARD COMMITTEE	14
LETTER FROM MESSIS CAPITAL	15
APPENDIX – GENERAL INFORMATION	29
NOTICE OF SPECIAL GENERAL MEETING	35

DEFINITIONS

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

“Agreement”	the share purchase agreement dated 6 May 2013 entered into between the Company and DSM, pursuant to which DSM has conditionally agreed to acquire and the Company has conditionally agreed to sell the Disposed Interest
“Andre Group”	Shandong Andre Group Co., Ltd.* (山東安德利集團有限公司), a limited liability company incorporated in the PRC and owned as to 90% by Mr. Wang An, an executive Director
“Andre Pectin”	Yantai Andre Pectin Co., Ltd. (烟台安德利果膠股份有限公司), a joint stock company incorporated in the PRC
“Andre Pectin Group”	Andre Pectin and Beijing Ande Keri Health and Technology Co., Ltd. (北京安德科瑞健康科技有限公司) which is owned as to 60% by Andre Pectin
“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 company incorporated in the PRC with limited liability and whose H shares were initially listed on the Growth Enterprise Market of the Stock Exchange on 22 April 2003 and have been listed on the Main Board of the Stock Exchange since 19 January 2011 by way of transfer of listing from the Growth Enterprise Market of the Stock Exchange
“Completion”	the completion of the transaction contemplated in the Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Disposed Interest contemplated under the Agreement
“Disposed Interest”	33,162,500 shares (representing approximately 18.95% interest) in Andre Pectin
“Domestic Share(s)”	the domestic invested share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are held in Renminbi
“Domestic Shareholder(s)”	the holder(s) of Domestic Shares

DEFINITIONS

“DSM”	DSM Food Specialties China Enterprise Co., Ltd., a corporation organized and existing under the laws of the Netherlands and an independent third party
“Euro”	the lawful currency of the members states of the European Union
“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas listed foreign share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each listed on the Stock Exchange and traded in HK\$ (Stock Code: 02218)
“H Shareholder(s)”	the holder(s) of H Shares
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the board committee comprised of independent non-executive Directors, namely Mr. Li Tong Ning, Mr. Gong Fan and Mr. Chow Kam Hung for the purpose of advising the Independent Shareholders on the Disposal
“Independent Financial Adviser” or “Messis Capital”	Messis Capital Limited, a licensed corporation to carry out Type 6 regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), which has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Disposal
“independent non-executive Director(s)”	independent non-executive director(s) of the Company
“Independent Shareholder(s)”	those shareholders of the Company within the meaning of Chapter 14A of the Listing Rules
“independent third party”	a party that is independent of the Company and its connected persons
“Latest Practicable Date”	28 June 2013, being the latest practicable date for ascertaining certain information contained in this circular prior to its publication

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the Main Board of the Stock Exchange
“percentage ratio(s)”	has the meaning ascribed to this term under the Listing Rules
“PRC”	the People’s Republic of China, excluding, for the purpose of this circular only, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SGM”	the special general meeting of the Company to be held at 2nd Floor, No. 18 Andre Avenue, Muping Economic Development Zone, Yantai City, Shandong Province, the PRC at 10:00 a.m. on Monday, 19 August 2013
“Shareholder(s)”	the registered holder(s) of shares of the Company
“Share(s)”	the ordinary share(s) of the Company of RMB1.00 each, including Domestic Share(s) and H Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to this term under the Listing Rules
“%”	percentage

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Wang An
Mr. Zhang Hui
Mr. Wang Yan Hui

Non-executive Director:

Mr. Liu Tsung-Yi

Independent non-executive Directors:

Mr. Li Tong Ning
Mr. Gong Fan
Mr. Chow Kam Hung

Registered Office:

No. 18 Andre Avenue
Muping Economic Development Zone
Yantai City
Shandong Province
the PRC

Principal Place of Business in

Hong Kong:

Room 1505
Wheelock House
20 Pedder Street
Central
Hong Kong

3 July 2013

To the Shareholders

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION
DISPOSAL OF 18.95% INTEREST IN ANDRE PECTIN
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 6 May 2013 in which the Board announced that on 6 May 2013, the Company and DSM entered into the Agreement, pursuant to which, DSM has conditionally agreed to acquire and the Company has conditionally agreed to sell the Disposed Interest at a consideration in Euro in the amount equivalent to RMB135,966,250 (i.e. RMB4.1 per share).

As the applicable percentage ratios in respect of the Disposal are greater than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. In addition, although DSM is not a connected person of the Company, the transaction between the Company and DSM involves the Company disposing of interest in Andre Pectin, a company in which Mr. Wang An, an executive Director, is currently an indirect substantial shareholder. Accordingly, the entering into of the Agreement

* For identification purpose only

LETTER FROM THE BOARD

in relation to the Disposal constitutes a non-exempt connected transaction of the Company under Rule 14A.13(1)(b)(i) of the Listing Rules and is subject to reporting, announcement and Independent Shareholders' approval as required under Chapter 14A of the Listing Rules.

The purpose of this circular is to provide you with further information and the recommendations of the Board in respect of the Disposal to enable you to make an informed decision on whether to vote for or against the proposed resolution in respect of the Disposal at the SGM.

THE AGREEMENT

The principal terms of the Agreement are as follows:

1. Date

6 May 2013

2. Parties

Purchaser:	DSM, an independent third party
Vendor:	the Company

3. Assets to be disposed of

Pursuant to the Agreement, DSM has conditionally agreed to acquire and the Company has conditionally agreed to sell the Disposed Interest. Upon Completion, the Company will cease to have any interest in Andre Pectin.

4. Consideration

Pursuant to the Agreement, the consideration payable to the Company for the Disposed Interest shall be paid in Euro in the amount equivalent to RMB135,966,250 (i.e. RMB4.1 per share). The exchange rate shall be the middle rate published by the People's Bank of China on the date of two business days immediately preceding the date of Completion.

The consideration shall be paid in a lump sum in cash by DSM to the bank account designated by the Company on the date of Completion.

The Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms. The consideration under the Agreement was determined after arm's length negotiations between DSM and the Company with reference to (i) the audited net assets value of Andre Pectin as at 31 December 2012 amounting to RMB332,443,502; (ii) the operating and financial performance of Andre Pectin, including the fact that its net profit significantly decreased in 2012; (iii) the future earnings outlook of Andre Pectin Group's business in light of the continuing increase in costs, such as price of the raw materials and appreciation of RMB; and (iv) the current price to net asset value ratio of comparable

LETTER FROM THE BOARD

companies in the industry similar with Andre Pectin. Based on the above factors, the Directors are of the view that the consideration for the Disposed Interest is fair and reasonable.

5. Non-competition Undertaking

The Company has undertaken to DSM that within 10 years after Completion, without prior written consents from DSM and Andre Pectin Group, the Company shall not directly or indirectly, or through its associated companies to:

- (i) manufacture any pectin products which are the same as or similar to those manufactured or will be manufactured by Andre Pectin or its subsidiaries;
- (ii) sell, offer for sell, resell or distribute any pectin products mentioned above by itself or as an agent, distributor or independent contractor;
- (iii) provide or solicit for provision of any services relating to the business of pectin by itself or as an agent, distributor or independent contractor; and
- (iv) solicit any employees of Andre Pectin to leave this company, or solicit any current or former employees of Andre Pectin to accept the appointment or act as an independent contractor. Such term does not apply to the solicitation of any employees whose employment with Andre Pectin has been terminated for six months or more.

If the Company breaches the above undertaking, it may be required to take up the contractual liability for such breach as determined by China International Economic and Trade Arbitration Commission. The China International Economic and Trade Arbitration Commission is one of the major permanent arbitration institutions in the world. It independently and impartially resolves economic and trade disputes by means of arbitration.

The Directors are of the view that the non-competition undertaking is in interest of the Company and Shareholders with the following basis: (1) given the Group is determined to focus on its core business as one of its long term development strategies and the reasons are set out in paragraph (2) of the section headed “Reasons for and benefits of the Disposal” of this circular, there is no adverse impact for the Group to provide such undertaking; and (2) entering into of the non-competition undertaking will enhance a higher premium which in turn will benefit the Shareholders. In addition, although DSM will be a minority shareholder of Andre Pectin upon Completion, we understand from DSM that it is their current intention to acquire the majority shareholding portion gradually.

LETTER FROM THE BOARD

6. Conditions Precedent

Completion shall be subject to and conditional upon the fulfilments of the following conditions:

- (i) DSM having completed, to its satisfaction, a confirmatory due diligence and closing due diligence audit on Andre Pectin, and there having been no circumstances which would have material adverse effect on Andre Pectin Group or adversely impact on the value of Andre Pectin Group, and there having been no breach of conduct of normal business during the period from 1 January 2013 to the date of Completion;
- (ii) Andre Pectin will not declare or distribute any dividend or any other payments to its shareholders during the period from 1 September 2012 to the date of Completion (including the year 2012);
- (iii) the Company having confirmed in writing that all of the representations and warranties from the Company in the Agreement are true, accurate and complete in all material respects from the date of the Agreement to the date of Completion, all the undertakings under the Agreement having been complied with in all material respects from the date of the Agreement to the date of Completion, and there having been no circumstances which would have or reasonably have material adverse effect on Andre Pectin Group;
- (iv) the relevant parties having duly signed the transaction documents;
- (v) the relevant authorities having approved the Disposal, the Agreement and the amendments to the articles of association of Andre Pectin, and having issued the new Foreign Investment Enterprise Approval Certificate to Andre Pectin;
- (vi) both parties having completed all necessary corporate actions, and the resolutions of the board or shareholders in respect of the Agreement and the transactions contemplated thereunder having been passed, if applicable;
- (vii) the industry and commerce authority having completed the relevant registration and filing procedures in respect of the Agreement and the transactions contemplated thereunder, and having issued the renewed business license to Andre Pectin;
- (viii) the Company having complied with all the relevant agreements, undertakings, promises and obligations in all material respects on or before Completion.

The above conditions are waivable in writing by DSM and no condition can be waived by the Company. DSM has no intention to waive any of the above conditions, in particular, condition (vi).

LETTER FROM THE BOARD

In the event that any of the conditions precedent above shall not have been satisfied within five months after the date of the Agreement, DSM shall be entitled to (i) terminate the Agreement without any liabilities; or (ii) proceed the Completion based on the actual situation after taking into account any antecedent breach and making adjustment to the consideration of the Disposal as agreed by both parties. The adjustment to the consideration of the Disposal mentioned above will only be made in the circumstances that both the Company and DSM (i) think it is necessary to make the adjustment according to the actual situation at that time; and (ii) both parties agreed to have an adjustment. Therefore, this shall not be considered as an automatic price adjustment mechanism. In the event any adjustment to the consideration will be agreed by both parties, the Company will comply with all applicable requirements of the Listing Rules, in particular, if such adjustment constitutes a material change in the consideration, it shall be put forward again for independent shareholders' approval.

INFORMATION OF ANDRE PECTIN

Andre Pectin is a joint stock company incorporated in the PRC and is principally engaged in the manufacturing of pectin businesses.

Set out below is the financial information of Andre Pectin for the two financial years ended 31 December 2012:

	For the year ended 31 December 2011 RMB'000 Audited	For the year ended 31 December 2012 RMB'000 Audited
Profit before tax	54,148	13,524
Profit after tax and extraordinary items	53,707	10,758

REASONS FOR AND BENEFITS OF THE DISPOSAL

The reasons and benefits of the Disposal are:

- (1) Pectin has a wide variety of usage and such application requires different specification and specified performance of pectin, resulting from a high technology-oriented and complicated production process. As such, the business of manufacturing and sale of pectin relies on advanced technology and market promotion, which in turn requires an on-going input of substantial amount of resources. The Directors are of the view that it is not the interest of the Company and Shareholders to continue to invest the substantial amount of resources into Andre Pectin given that Board's view on the future earnings outlook of Andre Pectin is set out in paragraph (3) below;

LETTER FROM THE BOARD

- (2) The core business of the Group of manufacturing and sale of juice concentrate has brought better and more attractive returns to the Group in the recent years. Strategically, the Directors are of the view that it is the interest of the Company and Shareholders to focus and devote the Group's resources on its core business. The Disposal represents an opportunity for the Group to realise its investments in the non-core business and redirect the relevant resources to the Group's core business;
- (3) The net profit of Andre Pectin significantly decreased in 2012 as compared to that of 2011. Such decrease was mainly due to appreciation of RMB and increase in price of the raw materials. As the above adverse factors are expected to continually exist, and therefore the Directors believe that the aforesaid trend of profitability of Andre Pectin may continue; and
- (4) The Disposal will strengthen the Company's working capital and will help to satisfy its further capital expenditure requirement.

The Board (including the independent non-executive Directors, whose opinion is formed after taking into account the advice provided by the Independent Financial Adviser) believes that the terms of the Disposal (including the consideration) are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole. Other than Mr. Wang An who has abstained from voting at the Board meeting in relation to the Disposal, no other Director has a material interest in the Disposal and is required to abstain from voting at the Board meeting in relation to the Disposal.

The Group expects to recognize a gain from the Disposal of approximately RMB72,968,206 (subject to audit), which is calculated based on the proceeds from the Disposal less the carrying amount of the audited net assets value of Andre Pectin attributable to the Disposal Interest as at 31 December 2012. The proceeds arising from the Disposal will be used for as general working capital of the Company.

GENERAL INFORMATION

1. Principal Business Activities

(a) *The Company*

The Company is a joint stock limited company incorporated in the PRC with limited liability and whose H shares have been listed on the Stock Exchange, initially on the Growth Enterprise Market, since 22 April 2003. The Company has been listed on the Main Board of the Stock Exchange since 19 January 2011 by way of transfer of listing from the Growth Enterprise Market of the Stock Exchange. The Company is principally engaged in the business of manufacturing and sale of apple juice concentrate, pear juice concentrate, apple essence, bio-feedstuff and related products.

LETTER FROM THE BOARD

(b) DSM

DSM is an investment holding company which is ultimately owned by Royal DSM N.V.. Royal DSM N.V. is a global science-based company and listed on NYSE Euronext. Royal DSM N.V. delivers innovative solutions that nourish, protect and improve performance in global markets such as food and dietary supplements, personal care, feed, pharmaceuticals, medical devices, automotive, paints, electrical and electronics, life protection, alternative energy and bio-based materials.

(c) Andre Pectin

Andre Pectin is principally engaged in the manufacturing of pectin businesses. Andre Pectin was incorporated as a limited liability company under PRC law on 30 August 2003, with the Company holding a 75% equity interest and Yantai North Andre Juice, Inc. holding a 25% equity interest. Upon completion of several equity interest transfer transactions and capital increase of Andre Pectin in 2004, the Company through its wholly-owned subsidiary, Andre Juice Co., Ltd., indirectly owned a 40% equity interest in Andre Pectin. In 2009, Andre Juice Co., Ltd. transferred its 20% equity interest in Andre Pectin to the Company, upon completion of such transaction and the capital increase of Andre Pectin in 2010, the Company directly owned 18.95% equity interest in Andre Pectin. Andre Pectin was converted into a joint stock limited company in the PRC by the promotion method on 21 March 2011.

As at the Latest Practicable Date, Andre Pectin is owned as to 37.90% by Andre Group, as to 18.95% by the Company, as to 10% by Best Apex Investments Limited (a limited liability company incorporated in Hong Kong and an independent third party), as to 9.47% by Rich Spring Holdings Limited (a limited liability company incorporated in the British Virgin Islands and an independent third party), as to 9.47% by Tianjin Hongan Equity Investment Fund Management Partnership (天津弘安股權投資基金管理合夥企業) (a limited liability partnership incorporated in the PRC and an independent third party), as to 4.74% by Yantai Anlin Fruit Co., Ltd. (烟台安林果業有限公司) (a sino-foreign joint venture incorporated in the PRC and an independent third party) and as to 9.47% by Meng Yu Corporation Pte Ltd. (a limited liability company incorporated in Singapore and an independent third party).

Mr. Wang An, through (1) his 90% interest in Andre Group, which in turn directly owned 37.90% interest in Andre Pectin; and (2) his 90% interest in Andre Group, which in turn directly owned 74,658,540 Domestic Shares, representing 18.25% of the total issued share capital of the Company, which in turn directly owned 18.95% interest in Andre Pectin, in aggregate indirectly owned approximately 37.22% interest in Andre Pectin.

The major assets of Andre Pectin as at 31 December 2012 were plant and equipment, land use rights, cash, accounts receivables, prepayments, other receivables and inventory. The major liabilities of Andre Pectin as at 31 December 2012 were short-term loans, accounts payables and other payables.

LETTER FROM THE BOARD

2. Implications under the Listing Rules

As the applicable percentage ratios in respect of the Disposal are greater than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. In addition, although DSM is not a connected person of the Company, the transaction between the Company and DSM involves the Company disposing of interest in Andre Pectin, a company in which Mr. Wang An, an executive Director, is currently an indirect substantial shareholder. Accordingly, the entering into of the Agreement in relation to the Disposal constitutes a non-exempt connected transaction of the Company under Rule 14A.13(1)(b)(i) of the Listing Rules and is subject to reporting, announcement and Independent Shareholders' approval as required under Chapter 14A of the Listing Rules.

3. Independent Board Committee

The Independent Board Committee has been established to advise the Independent Shareholders and the Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders, in respect of the Disposal. Each member of the Independent Board Committee does not have any material interest in the Disposal.

SGM

The form of proxy and reply slip for use at the SGM are enclosed.

If you wish to attend such meeting by proxy, you are required to complete the enclosed form of proxy in accordance with the instructions printed thereon and return them as soon as possible. For H Shareholders, the proxy form shall be delivered to the Company's H Share registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong; and for Domestic Shareholders, the proxy form shall be delivered to the registered office of the Company at No. 18 Andre Avenue, Muping Economic Development Zone, Yantai City, Shandong Province, the PRC, however, in any event not later than 24 hours before the time appointed for the holding of the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof if you so wish.

If you intend to attend the SGM in person or by proxy, you are required to complete and return the reply slip to the principal place of business of the Company in Hong Kong (for H Shareholders) or to the registered office of the Company (for Domestic Shareholders) on or before Tuesday, 30 July 2013.

Pursuant to Rule 14A.59(5) of the Listing Rules, where independent shareholders' approval is required with regard to a connected transaction, any connected person with a material interest in such transaction and any shareholder with a material interest in such transaction and its associates, will not vote on such transaction. Accordingly, Mr. Wang An and his associate(s) (as defined under the Listing Rules) shall at the SGM abstain from voting on the Disposal, which will be taken on a poll as required under the Listing Rules. As at the Latest Practicable Date, Mr. Wang An and his associates, holds 118,810,501

LETTER FROM THE BOARD

Domestic Shares, representing 29.05% of the total issued share capital of the Company and 1,708,500 H Shares, representing 0.42% of the total issued share capital of the Company. To the extent that the Company is aware having made all reasonable enquiries, as at the Latest Practicable Date:

- (i) there was no voting trust or other agreement, arrangement or understanding entered into by or binding upon Mr. Wang An;
- (ii) Mr. Wang An was not subject to any obligation or entitlement whereby it had or might have temporarily or permanently passed control over the exercise of the voting right in respect of his shares in the Company to a third party, whether generally or on a case-by-case basis; and
- (iii) it was not expected that there would be any discrepancy between Mr. Wang An's beneficial shareholding interest in the Company, as disclosed in the Appendix to this circular, and the number of shares in the Company in respect of which he would control or would be entitled to exercise control over the voting right at the SGM.

As far as the Directors are aware, other than Mr. Wang An and his associates, no other Shareholder has a material interest in the above transaction and has to abstain from voting at the SGM on the relevant resolution.

VOTING BY WAY OF POLL

In accordance with the provisions of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. As such, the resolutions set out in the notice convening the SGM will be voted by poll. Results of the poll voting will be published on the Company's website at www.andre.com.cn and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk after the general meeting.

RECOMMENDATIONS

The Directors (including independent non-executive Directors) consider that the resolution in respect of the Disposal set out in the notice of the SGM is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends to vote in favour of such proposed resolution.

The Directors also draw your attention to the letter from the Independent Board Committee and a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders which are set out on pages 14 to 28 of this circular. The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, considers that the terms of the Disposal (including the consideration) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the relevant ordinary resolution to be proposed at the SGM.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is also drawn to the other information set out in the Appendix of this circular.

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

* *For identification purpose only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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)

3 July 2013

To the Independent Shareholders

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION
DISPOSAL OF 18.95% INTEREST IN ANDRE PECTIN**

We refer to the circular of the Company (the “Circular”) dated 3 July 2013 despatched to the Shareholders of which this letter forms a part. Unless the context requires otherwise, terms and expressions defined in the Circular shall have the same meanings in this letter.

We have been appointed to advise the Independent Shareholders on whether the terms of the Disposal (including the consideration) are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Messis Capital Limited has been appointed to advise the Independent Board Committee and Independent Shareholders in respect of the terms of the Disposal.

We wish to draw your attention to the letter from the Board set out on pages 4 to 13 of the Circular and the letter from the Independent Financial Adviser set out on pages 15 to 28 of the Circular.

Having considered the advice given by Messis Capital Limited, we are of the opinion that the terms of the Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned and the entering into of the Agreement is within the Group's ordinary course of business and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of such ordinary resolution to be proposed at the SGM.

Yours faithfully,

For and on behalf of the Independent Board Committee

Yantai North Andre Juice Co., Ltd.*

Li Tong Ning

Independent

Non-executive Director

Gong Fan

Independent

Non-executive Director

Chow Kam Hung

Independent

Non-executive Director

* For identification purpose only

LETTER FROM MESSIS CAPITAL

The following is the full text of a letter of advice from Messis Capital to the Independent Board Committee and the Independent Shareholders in respect of the Disposal and the terms of the Agreement, which has been prepared for the purpose of inclusion in this circular:



大有融資有限公司
MESSIS CAPITAL LIMITED

3 July 2013

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION DISPOSAL OF 18.95% INTEREST IN ANDRE PECTIN

INTRODUCTION

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the whether the Disposal is in the interests of the Company and the Shareholders as a whole and the terms Agreement are fair and reasonable so far as the Independent Shareholders are concerned, details of which are set out in the letter from the Board (the “Board Letter”) contained in the circular of the Company dated 3 July 2013 (the “Circular”) of which this letter forms part. Terms defined in the Circular shall have the same meanings in this letter unless the context of this letter otherwise requires.

On 6 May 2013, the Company and DSM entered into the Agreement, pursuant to which DSM has conditionally agreed to acquire and the Company has conditionally agreed to sell the Disposed Interest at a consideration in Euro in the amount equivalent to approximately RMB135,966,250 (i.e. RMB4.1 per share).

As the applicable percentage ratios in respect of the Disposal are greater than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under the Listing Rules. In addition, although DSM is not a connected person of the Company, the transaction between the Company and DSM involves the Company disposing of interest in Andre Pectin, a company in which Mr. Wang An, an executive Director, is currently an indirect substantial shareholder. Accordingly, the entering into of the Agreement in relation to the Disposal constitutes a non-exempt connected transaction of the Company under Rule the Listing Rules and is subject to reporting, announcement and Independent Shareholders’ approval as required under the Listing Rules.

LETTER FROM MESSIS CAPITAL

The Independent Board Committee has been established to advise the Independent Shareholders and the Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders, in respect of the Disposal. Each member of the Independent Board Committee does not have any material interest in the Disposal.

In formulating our opinion, we have relied on the accuracy of statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Company and which the Directors consider to be complete and relevant, and have assumed that the statements made were true, accurate and complete at the time they were made and continue to be true on the date of the Circular. We have assumed that all information, representations and opinions contained or referred to in the Circular and all information, representations and opinions which have been provided by the Company are true at the time they were made and will continue to be true at the date of the despatch of the Circular.

We consider that we have received sufficient information to enable us to reach an informed view and to justify our reliance on the accuracy of the information and representations contained in the Circular and to provide a reasonable basis for our view and recommendation. We have no reason to suspect that any material information has been withheld by the Company or by the Directors. We have not, however, carried out any independent investigation into the business and affairs of the Company. Pursuant to the Listing Rules, we have taken reasonable steps to satisfy ourselves which include the following:

- (a) obtained all the information and documents relevant to an assessment of the fairness and reasonableness of the terms of the Agreement, including but not limited to, the Board Letter, the announcement of the Company dated 6 May 2012, the audited accounts of Andre Pectin for the financial years ended 31 December 2011 and 2012, the records of raw material purchases and pectin sales of Andre Pectin and the annual reports of the Company for the years ended 31 December 2011 and 2012;
- (b) reviewed the reasons and background as well as the terms of Agreement;
- (c) reviewed the fairness and reasonableness of the assumptions and projections relevant to Disposal, if any; and
- (d) confirmed that no third party expert opinion being relevant to the Disposal.

LETTER FROM MESSIS CAPITAL

PRINCIPAL FACTORS TAKEN INTO ACCOUNT

In arriving at our opinions and recommendations to the Independent Board Committee and the Independent Shareholders in respect of whether the Disposal is in the interests of the Company and the Shareholders as a whole and the terms Agreement are fair and reasonable so far as the Independent Shareholders are concerned e, we have considered the principal factors and reasons set out below:

I. Background of and reasons for entering into the Agreement

(a) *The Company*

The Company is a joint stock limited company incorporated in the PRC with limited liability and whose H shares have been listed on the Stock Exchange, initially on the Growth Enterprise Market, since 22 April 2003. The Company has been listed on the Main Board of the Stock Exchange since 19 January 2011 by way of transfer of listing from the Growth Enterprise Market of the Stock Exchange. The Company is principally engaged in the business of manufacturing and sale of apple juice concentrate, pear juice concentrate, apple essence, bio-feedstuff and related products.

(b) *DSM*

DSM is an investment holding company which is ultimately owned by Royal DSM N.V.. Royal DSM N.V. is a global science-based company and listed on NYSE Euronext. Royal DSM N.V. delivers innovative solutions that nourish, protect and improve performance in global markets such as food and dietary supplements, personal care, feed, pharmaceuticals, medical devices, automotive, paints, electrical and electronics, life protection, alternative energy and bio-based materials.

(c) *Andre Pectin*

Andre Pectin is principally engaged in the manufacturing of pectin businesses. Andre Pectin was incorporated as a limited liability company under PRC law on 30 August 2003, with the Company holding a 75% equity interest and Yantai North Andre Juice, Inc. holding a 25% equity interest. Upon completion of several equity interest transfer transactions and capital increase of Andre Pectin in 2004, the Company through its wholly-owned subsidiary, Andre Juice Co., Ltd., indirectly owned a 40% equity interest in Andre Pectin. In 2009, Andre Juice Co., Ltd. transferred its 20% equity interest in Andre Pectin to the Company, upon completion of such transaction and the capital increase of Andre Pectin in 2010, the Company directly owned 18.95% equity interest in Andre Pectin. Andre Pectin was converted into a joint stock limited company in the PRC by the promotion method on 21 March 2011.

As at the Latest Practicable Date, Andre Pectin is owned as to 37.90% by Andre Group, as to 18.95% by the Company, as to 10% by Best Apex Investments Limited (a limited liability company incorporated in Hong Kong), as to 9.47% by Rich Spring Holdings Limited (a limited liability company incorporated in the British Virgin Islands), as to 9.47% by Tianjin Hongan Equity Investment Fund Management

LETTER FROM MESSIS CAPITAL

Partnership (天津弘安股權投資基金管理合夥企業) (a limited liability partnership incorporated in the PRC), as to 4.74% by Yantai Anlin Fruit Co., Ltd. (烟台安林果業有限公司) (a sino-foreign joint venture incorporated in the PRC) and as to 9.47% by Meng Yu Corporation Pte Ltd. (a limited liability company incorporated in Singapore).

Mr. Wang An, through (1) his 90% interest in Andre Group, which in turn directly owned 37.90% interest in Andre Pectin; and (2) his 90% interest in Andre Group, which in turn directly owned 74,658,540 Domestic Shares, representing 18.25% of the total issued share capital of the Company, which in turn directly owned 18.95% interest in Andre Pectin, in aggregate indirectly owned approximately 37.22% interest in Andre Pectin.

The major assets of Andre Pectin as at 31 December 2012 were plant and equipment, land use rights, cash, accounts receivables, prepayments, other receivables and inventory. The major liabilities of Andre Pectin as at 31 December 2012 were short-term loans, accounts payables and other payables. The decrease in the net profits of Andre Pectin from 2011 to 2012 was mainly due to appreciation of RMB and increase in price of the raw materials.

Andre Pectin is a joint stock company incorporated in the PRC and is principally engaged in the manufacturing of pectin businesses.

Set out below is the financial information of Andre Pectin for the two financial years ended 31 December 2012:

	For the year ended 31 December 2011 RMB'000 Audited	For the year ended 31 December 2012 RMB'000 Audited
Profit/(loss) before tax	54,148	13,524
Profit/(loss) after tax and extraordinary items	53,707	10,758

The net profit of Andre Pectin significantly decreased in 2012 as compared to that of 2011. Such decrease was mainly due to appreciation of RMB and increase in price of the raw materials.

We have reviewed both the audited accounts of Andre Pectin for the financial years ended 31 December 2011 and 2012 and the records of major purchase and sales transactions. The major findings in relation to the profitability of Andre Pectin are as follows:

1. on the procurement side, the purchase records and original copies of purchase orders show that the average price of the two major raw materials purchased from the suppliers surged substantially in 2012 as compared with the average price of the two major raw materials purchased in 2011;

LETTER FROM MESSIS CAPITAL

2. on the sales side, the average selling prices of the pectin sold to its overseas buyers significantly dropped in 2012 as compared with the average selling prices in 2011 in terms of US Dollars equivalent and the average exchange rate of US Dollars to RMB in 2012 dropped by approximately 2.4% as compared with the average exchange rate of US Dollars to RMB in 2011;
3. there was a substantial increase of financial expenses in 2012 as compared with the financial expenses in 2011 which is directly related to the increase of interest bearing debts due to the increase of production facilities; and
4. there was a substantial increase of management overhead expenses in 2012 as compared with the management overhead expenses in 2011 which is directly related to the increase of production facilities.

As a result of all the financial impacts in 2012 as set out above, the profit before tax of Andre Pectin dropped significantly from approximately RMB54.1 million in 2011 to approximately RMB13.5 million in 2012.

The Directors considered the Andre Pectin will require its shareholders to invest the substantial amount of resources into improve the commercial and technical infrastructures in the coming 5 to 8 years. We are of the view that if Andre Pectin further improves the commercial and technical infrastructures, it will increase the financial burden of both Andre Pectin and the Group in the coming 5 to 8 years.

We have studied the public information in relation to the price trend of pectin and raw material prices for production. Based on our finding, we have not identified any public information in relation to price trend of pectin and raw material prices for production.

Reasons for and benefits of the Disposal

The reasons and benefits of the Disposal are:

- (1) Pectin has a wide variety of usage and such application requires different specification and specified performance of pectin, resulting from a high technology-oriented and complicated production process. As such, the business of manufacturing and sale of pectin relies on advanced technology and market promotion, which in turn requires an on-going input of substantial amount of resources. The Directors are of the view that it is not the interest of the Company and Shareholders to continue to invest the substantial amount of resources into Andre Pectin given that Board's view on the future earnings outlook of Andre Pectin is set out in paragraph (3) below;
- (2) The core business of the Group of manufacturing and sale of juice concentrate has brought better and more attractive returns to the Group in the recent years. Strategically, the Directors are of the view that it is the interest of the Company and Shareholders to focus and devote the Group's

LETTER FROM MESSIS CAPITAL

resources on its core business. The Disposal represents an opportunity for the Group to realise its investments in the non-core business and redirect the relevant resources to the Group's core business;

- (3) The net profit of Andre Pectin significantly decreased in 2012 as compared to that of 2011. Such decrease was mainly due to appreciation of RMB and increase in price of the raw materials. As the above adverse factors are expected to continually exist, and therefore the Directors believe that the aforesaid trend of profitability of Andre Pectin may continue; and
- (4) The Disposal will strengthen the Company's working capital and will help to satisfy its further capital expenditure requirement.

The executive Directors believe that the terms of the Disposal (including the consideration) are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

The Group expects to recognize a gain from the Disposal of approximately RMB72,968,206 (subject to audit), which is calculated based on the proceeds from the Disposal less the carrying amount of the audited net assets value of Andre Pectin attributable to the Disposal Interest as at 31 December 2012. The proceeds arising from the Disposal will be used for as general working capital of the Company.

We have reviewed to our best endeavour, however, we have not identified any public information in relation to the capital expenditure requirement of technology acquisition, production facilities completion and market promotion involved in the manufacturing and sales of pectin in China and overseas.

The Directors are of the view that further growth of Andre Pectin also necessitates substantial strategic investment on building the global footprint of Marketing & Sales as well as the Technical Support and Application competences. Having a global footprint of sales offices and service centers that could enable close and speedy customer interaction is a key success factor for leading pectin players. The Directors are also of the view that Andre Pectin has achieved good growth so far but the next stage plan is to establish such global footprint of commercial and technical infrastructures in the main target markets such as US, Europe, Middle East and South & East Asia in the next 5-8 years. The investment includes fixed assets (e.g. laboratory and equipment), management systems, talent acquisition and start-up expenses.

Having considered the reasons as set out above, including (i) the Disposal allows the Group to redeploy its resources to the business of manufacturing and sale of juice concentrate that may bring better and attractive returns; (ii) the proceeds arising from the Disposal will be used for as general working capital of the Company; and (iii) the Group expects to recognize a gain from the Disposal of approximately RMB72,968,206 (subject to audit), we are of the view that the Disposal is in the interests of the Company and the Shareholders as a whole.

LETTER FROM MESSIS CAPITAL

We have studied the public information in relation to the companies involved in either manufacturing of pectin or manufacturing of fruit juice concentrate in China. According to our finding, we have not identified any public information of the business performance of any pectin manufacturing company or the business performance of any pectin manufacturing section of a fruit company. As pectin is the related products of fruit juice industry, we have at our best endeavour identified all the companies listed on the Stock Exchange which are principally engaged in the manufacture and sale of fruit juice concentrate and other related products which disclose reasonable amount of financial and business performance information to the public (the “**Comparable Companies**”). The Comparable Companies include Asian Citrus Holdings Limited (0073), China Green (Holdings) Limited (0904), China Haisheng Juice Holdings Co., Ltd. (0359), China Huiyuan Juice Group Limited (1886) and the Company. Accordingly, in order to form an objective view on the fairness and reasonableness of the consideration payable to the Company for the Disposed Interest (the “**Consideration**”), we compare the price to earnings ratio (the “**P/E Ratio**”) and the price to book value ratio (the “**P/B Ratio**”) of Andre Pectin with the P/E Ratio and P/B Ratio of the Comparable Companies in the later part of this letter.

Having considered that (i) the Company is principally engaged in the business of manufacturing and sale of apple juice concentrate, pear juice concentrate, apple essence, bio-feedstuff and related products; and (ii) the Disposal represents an opportunity for the Company to dispose of its non-core business of manufacturing and sale of pectin and allow the Group to focus its resources on the core business of manufacturing and sale of juice concentrate that may bring better and attractive returns, we are of the view that the entering into the Agreement for the Disposal focus its resources on the core business of manufacturing and sale of juice concentrate is within its ordinary course of business.

THE AGREEMENT

On 6 May 2013, the Company and DSM entered into the Agreement, pursuant to which, DSM has conditionally agreed to acquire and the Company has conditionally agreed to sell the Disposed Interest at a consideration in Euro in the amount equivalent to RMB135,966,250 in Euro currency.

The principal terms of the Agreement are as follows:

1. Date

6 May 2013

2. Parties

Purchaser: DSM, an independent third party

Vendor: the Company

LETTER FROM MESSIS CAPITAL

3. Assets to be disposed of

Pursuant to the Agreement, DSM has conditionally agreed to acquire and the Company has conditionally agreed to sell all of its 33,162,500 shares (representing approximately 18.95% interest) in Andre Pectin. Upon Completion, the Company will cease to have any interest in Andre Pectin.

4. Consideration

Pursuant to the Agreement, the Consideration payable to the Company for the Disposed Interest shall be paid in Euro in the amount equivalent to RMB135,966,250 (i.e. RMB4.1 per share). The exchange rate shall be the middle rate published by the People's Bank of China on the date of two business days immediately preceding the date of Completion.

The Consideration shall be paid in a lump sum in cash by DSM to the bank account designated by the Company on the date of Completion.

The Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms. The Consideration under the Agreement was determined after arm's length negotiations between DSM and the Company with reference to (i) the audited net assets value of Andre Pectin as at 31 December 2012 amounting to RMB332,443,502; and (ii) the operating and financial performance of Andre Pectin, including the fact that its net profit significantly decreased in 2012; (iii) the future earnings outlook of Andre Group's business in light of the continuing increase in costs, such as price of the raw materials and appreciation of RMB; and (iv) the current price to net asset value ratio of comparable companies in the industry similar with Andre Pectin.

5. Non-competition Undertaking

The Company has undertaken to DSM that within 10 years after Completion, without prior written consents from DSM and Andre Pectin, the Company shall not directly or indirectly, or through its associated companies to:

- (i) manufacture any pectin products which are the same as or similar to those manufactured or will be manufactured by Andre Pectin or its subsidiaries;
- (ii) sell, propose to sell, resell or distribute any pectin products mentioned above by itself or as an agent, distributor or independent contractor;
- (iii) provide or solicit for provision of any services relating to the business of pectin by itself or as an agent, distributor or independent contractor; and

LETTER FROM MESSIS CAPITAL

- (iv) solicit any employees of Andre Pectin to leave this company, or solicit any current or former employees of Andre Pectin to accept the appointment or act as an independent contractor. Such term does not apply to the solicitation of any employees whose employment with Andre Pectin has been terminated for six months or more.

If the Company breaches the above undertaking, it may be required to take up the contractual liability for such breach as determined by China International Economic and Trade Arbitration Commission. The China International Economic and Trade Arbitration Commission is one of the major permanent arbitration institutions in the world. It independently and impartially resolves economic and trade disputes by means of arbitration.

The Directors are of the view that the non-competition undertaking is in the interest of the Company and Shareholders with the following basis: (1) given the Group is determined to focus on its core business as one of its long term development strategies and the reasons are set out in paragraph (2) of the section headed “Reasons for and benefits of the Disposal” of this circular, there is no adverse impact for the Group to provide such undertaking; and (2) entering into of the non-competition undertaking will enhance a higher premium which in turn will benefit the Shareholders. In addition, although DSM will be a minority shareholder of Andre Pectin upon Completion, the Directors understand from DSM that it is their current intention to acquire the majority shareholding portion gradually. Having considered that (i) the Andre Pectin will require its shareholders to invest the substantial amount of resources into improve the commercial and technical infrastructures in the coming 5 to 8 years; (ii) the Group’s principal activities is manufacturing and sale of apple juice concentrate, pear juice concentrate, apple essence, feedstuff and related products; and (iii) the Group had not indicated any long term development plan in relation to pectin business in the annual reports of the Company for the years ended 31 December 2011 and 2012, we are of the view that the duration of 10 years for the above non-competition undertaking is fair and reasonable.

We are of the view that the non-competition undertaking term is a normal commercial term to protect a purchaser by restricting a vendor from involving in the same business of the disposed interest in a sale and purchase agreement.

Conditions Precedent

Completion shall be subject to and conditional upon the fulfilments of the following conditions:

- (i) DSM having completed, to its satisfaction, a confirmatory due diligence and closing due diligence audit on Andre Pectin, and there having been no circumstances which would have material adverse effect on Andre Pectin Group or adversely impact on the value of Andre Pectin Group, and there having been no breach of conduct of normal business during the period from 1 January 2013 to the date of Completion;

LETTER FROM MESSIS CAPITAL

- (ii) Andre Pectin will not declare or distribute any dividend during the period from 1 September 2012 to the date of Completion (including the year 2012);
- (iii) the Company having confirmed in writing that all of the representations and warranties from the Company in the Agreement are true, accurate and complete in all material respects from the date of the Agreement to the date of Completion, all the undertakings under the Agreement having been complied with in all material respects from the date of the Agreement to the date of Completion, and there having been no circumstances which would have material adverse effect on Andre Pectin Group;
- (iv) the relevant parties having duly signed the transaction documents;
- (v) the relevant authorities having approved the Disposal, the Agreement and the amendments to the articles of association of Andre Pectin, and having issued the new Foreign Investment Enterprise Approval Certificate to Andre Pectin;
- (vi) both parties having completed all necessary corporate actions, and the resolutions of the board or shareholders in respect of the Agreement and the transactions contemplated thereunder having been obtained, if applicable;
- (vii) the industry and commerce authority having completed the relevant registration and filing procedures in respect of the Agreement and the transactions contemplated thereunder, and having issued the renewed business license to Andre Pectin; and
- (viii) the Company having complied with all the relevant agreements, undertakings, promises and obligations in all material respects on or before the Completion.

The above conditions are waivable by DSM and no condition can be waived by the Company. DSM has no intention to waive any of the above conditions, in particular, condition (vi).

In the event that any of the conditions precedent above shall not have been satisfied within five months after the execution date of the Agreement, DSM shall be entitled to (i) terminate the Agreement without any liabilities; or (ii) proceed the Completion based on the actual situation after taking into account any antecedent breach and making adjustment to the Consideration of the Disposal as agreed by both parties.

The adjustment to the consideration of the Disposal mentioned above will only be made in the circumstances that both the Company and DSM (i) think it is necessary to make the adjustment according to the actual situation at that time; and (ii) both parties agreed to have an adjustment. Therefore, this shall not be considered as an automatic price adjustment mechanism. In the event any adjustment to the consideration will be agreed by both parties, the Company will comply with all applicable requirements of the Listing Rules, in particular, if such adjustment constitutes a material change in the

LETTER FROM MESSIS CAPITAL

consideration, it shall be put forward again for independent shareholders' approval. We are of the view that when the adjustment constitutes a material change in the consideration, if any, it shall be put forward again for independent shareholders' approval is fair and reasonable so far as the Independent Shareholders are concerned.

As set out under the subsection "Consideration" above, the Consideration under the Agreement was determined after arm's length negotiations between DSM and the Company with reference to the audited net assets value of Andre Pectin as at 31 December 2012.

1. The audited net assets value of Andre Pectin as at 31 December 2012 was amounting to RMB332,443,502. 18.95% share of Andre Pectin, the Disposed Interest, of the audited net assets value as at 31 December 2012 was equivalent to approximately RMB62,998,044. The Disposed Interest at a Consideration equivalent to approximately RMB135,966,250 represents a premium of approximately 116% over the 18.95% of the audited net assets value of Andre Pectin as at 31 December 2012; and
2. The profit after tax and extraordinary items of Andre Pectin as at 31 December 2012 profit after tax and extraordinary items was approximately RMB 10,758,000. 18.95% share of Andre Pectin, the Disposed Interest, of the profit after tax and extraordinary items of Andre Pectin as at 31 December 2012 profit after tax and extraordinary items was equivalent to approximately RMB2,038,640. The Disposed Interest at a Consideration equivalent to approximately RMB135,966,250 represents approximately 66.8 times of 18.95% of the profit after tax and extraordinary items of Andre Pectin as at 31 December 2012,

We have reviewed the P/E Ratio and the P/B Ratio of each of the Comparable Companies based on information extracted from the website of the Stock Exchange. Independent Shareholders should however note that the comparison with the Comparable Companies is for general reference purpose only given that the particulars of the business and financial aspects and prospect of each of the Comparable Companies are not exactly the same. Taking into account (i) the P/E Ratio and the P/B Ratio are common benchmarks for the assessment of the Consideration; (ii) the P/E Ratio and the P/B Ratio ratios are applicable to the Disposal as Andre Pectin recorded net profit and net assets for the latest financial year; and (iii) in general, companies with similar business nature generally have similar revenue and cost structure and share similar industry and growth prospects, we consider the review of the P/E Ratio and the P/B Ratio to be the most appropriate approach for our assessment of the Consideration. Details of the Comparable Companies are set out in the table below:–

LETTER FROM MESSIS CAPITAL

Company name (Stock code)	Principal business	Profit attributable to shareholders (1) <i>(HK\$ million) approximately</i>	Net assets attributable to shareholders (2) <i>(HK\$ million) approximately</i>	Market Capitalisation (3) <i>(HK\$ million) approximately</i>	P/E Ratio (4) <i>(times) approximately</i>	P/B Ratio (5) <i>(times) approximately</i>
ASIAN CITRUS HOLDINGS LIMITED (0073)	Planting, cultivation & sale of agricultural produce, manufacture & sale of fruit juice concentrates, fruit puree, frozen fruit & vegetable.	937.8	10,188	4,051.00	4.32	0.4
CHINA GREEN (HOLDINGS) LIMITED (0904)	Growing, processing and sales of agricultural products and consumer food and beverage products, including production of fruit juice.	520.3	4,789	919.5	1.77	0.19
CHINA HAISHENG JUICE HOLDINGS CO., LTD. (0359)	Manufacture and sale of fruit juice concentrate and other related products.	loss	1,276	472.5	not applicable	0.37
CHINA HUIYUAN JUICE GROUP LIMITED (1886)	Manufacturing and sales of fruit juice products.	20.2	6,608	5,114	not applicable <i>(4.1)</i>	0.77
The Company (2218)	Manufacturing and sale of apple juice concentrate, pear juice concentrate, apple essence, feedstuff and related products.	138.6	1,786	1,234.4	8.97	0.70
				Maximum:	8.97	0.77
				Minimum:	1.77	0.19
				Mean:	5.02	0.49
				Median:	4.32	0.40
Disposal Interest	Manufacturing of pectin				66.8	1.16

Note:

- (1) Profit attributable to shareholders is based on the consolidated profit attributable to shareholders for the latest full financial year as disclosed in the latest published financial statement as at the date of the Sale and Purchase Agreement.
 - (2) Net assets attributable to shareholders is based on the consolidated net assets attributable to shareholders as disclosed in the latest published financial statement as at the date of the Sale and Purchase Agreement.
 - (3) The market capitalisation is derived from multiplying the number of shares as disclosed in the latest monthly return and closing share price as at the day prior to the Agreement.
 - (4) The P/E Ratio is derived from dividing the market capitalisation by the profit attributable to shareholders.
- (4.1) The net profit margin of China Huiyuan Juice Group Limited dropped to 0.4% in the financial year ended 31 December 2012 from the rather reasonable net profit margins in the range of 3.2% to 8.2% during the four financial years ended 31 December 2011 without disclosure of the reason(s) of the significant drop of net profit margin in its annual report for the year ended 31 December 2012.

LETTER FROM MESSIS CAPITAL

- (5) The P/B Ratio is derived from dividing the market capitalisation by the net assets attributable to shareholders.

Having noted that (i) the P/E Ratio of the Disposal Interest being 66.8 times is significantly higher than the range of those of the Comparable Companies; (ii) the P/B Ratio of the Disposal Interest being 1.16 times is significantly higher than the range of those of the Comparable Companies;; and (iii) all the benefits of the Disposal as set out under the sub-section of “Reasons for and benefits of the Disposal” above, we are of the view that the basis of determining the Consideration is fair and reasonable so far as the Independent Shareholders are concerned.

We consider that The Disposed Interest at a Consideration equivalent to approximately RMB135,966,250 is in the interests of the Company and the Shareholders as a whole and fair and reasonable so far as the Independent Shareholders are concerned.

We have review all the terms of Agreement including the Consideration as set out above, and are not aware of any extra-ordinary terms or any terms unfavourable to the Group in the Agreement. Accordingly, we are of the view the Subscription Agreement is on normal commercial terms.

The financial effect of the Disposal

Pursuant to the Agreement, the Consideration payable to the Company for the Disposed Interest shall be paid in Euro in the amount equivalent to RMB135,966,250 (i.e. RMB4.1 per share) two business days immediately preceding the date of Completion. Therefore, the financial effect of the Disposal will be as follows:

(i) Net income

A gain from the Disposal of approximately RMB72,968,206 (subject to audit) will be recognized, which is calculated based on the proceeds from the Disposal less the carrying amount of the audited net assets value of Andre Pectin attributable to the Disposal Interest as at 31 December 2012.

(ii) Net asset value

According to the gain from the Disposal of approximately RMB72,968,206, the net asset value of the Group will be improved by the same amount.

(iii) Liquidity

The proceeds arising from the Disposal will be used for as general working capital of the Company. Accordingly, the liquidity of the Group will be improved in the amount equivalent to RMB135,966,250.

LETTER FROM MESSIS CAPITAL

Based on the above analysis, the Disposal has positive financial effects on the net income, the net asset value and the liquidity of the Group. Accordingly, we are of the view that the Disposal has a positive impact on the financial situation of the Group which is in the interest of the Group and the Shareholders as a whole.

RECOMMENDATION

Having considered the factors and reasons as stated above, we are of the view that the terms of the Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned and the entering into of the Agreement is within the Group's ordinary course of business and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders and advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of such ordinary resolution to be proposed at the SGM.

Yours faithfully,
For and on behalf of
Messis Capital Limited

Michael Leung
Executive Director

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

DISCLOSURE OF INTERESTS**Directors', Supervisors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company**

As at the Latest Practicable Date, the interests and short positions of the Directors, supervisors and 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 of the Company as referred to in Appendix 10 of the Listing Rules were as follows:

Name of Directors	Class of shares	Number of shares held	Capacity	Type of interest	Approximate percentage of Domestic Shares/H Shares	Approximate percentage of total share capital
Wang An (Note 1)	Domestic Shares	118,810,501 (L)	Interest of controlled corporations (Note 2)	Personal	47.42% (L)	29.05% (L)
	H Shares	1,708,500 (L)	Interest of controlled corporations (Note 3)	Personal	1.08% (L)	0.42% (L)
Liu Tsung-Yi	H Shares	195,400 (L)	Beneficial owner	Personal	0.12% (L)	0.048% (L)

Notes: The letter "L" denotes a long position.

- As at the Latest Practicable Date, Mr. Wang An, a Director, controlled (a) 90% interest in China Pingan Investment Holdings Limited, which held 44,151,961 Domestic Shares and 1,708,500 H Shares, representing 10.80% and 0.42% interests in the total issued share capital of the Company, respectively; and (b) 90% interest in Shandong Andre Group Co., Ltd.* (山東安德利集團有限公司), which held 74,658,540 Domestic Shares, representing 18.25% interest in the total issued share capital of the Company.
- Mr. Wang An was deemed to be interested in these Domestic Shares through his interests in China Pingan Investment Holdings Limited and Shandong Andre Group Co., Ltd.* (山東安德利集團有限公司).

* For identification purpose only

- 3) The long position in 1,708,500 H Shares was held by China Pingan Investment Holdings Limited. Mr. Wang An was deemed to be interested in these H Shares through his 90% interest in China Pingan Investment Holdings Limited.

At the Latest Practicable Date, none of the Directors, supervisors or chief executive had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are (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 Appendix 10 of the Listing Rules.

Substantial Shareholders' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company

As at the Latest Practicable Date, so far as the Directors are aware, the following persons (other than the Directors, supervisors and chief executive of the Company) had interests and short positions in the shares, underlying shares and debentures of the Company which were 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:

Name of Shareholders	Class of shares	Number of shares held	Capacity	Type of interest	Approximate percentage of Domestic Shares/H Shares	Approximate percentage of total share capital
China Pingan Investment Holdings Limited	Domestic Shares	44,151,961 (L) (Note 1)	Beneficial owner	Corporate	17.62% (L)	10.80% (L)
	H Shares	1,708,500 (L)	Beneficial owner	Corporate	1.08% (L)	0.42% (L)
Shandong Andre Group Co., Ltd.* (山東安德利集團有限公司)	Domestic Shares	74,658,540 (L) (Note 2)	Beneficial owner	Corporate	29.80% (L)	18.25% (L)
Donghua Fruit Industry Co., Ltd.	Domestic Shares	65,779,459 (L) (Note 3)	Beneficial owner	Corporate	26.26% (L)	16.08% (L)
Uni-President Enterprises Corp.	Domestic Shares	63,746,040 (L) (Note 4)	Interests of controlled corporations (Note 5)	Corporate	25.44% (L)	15.59% (L)
Atlantis Capital Holdings Limited	H Shares	32,000,000 (L) (Note 6)	Interests of controlled corporations	Corporate	20.20% (L)	7.82% (L)
Norges Bank	H Shares	12,336,000 (L)	Beneficial owner	Corporate	7.79% (L)	3.02% (L)
Mitsui & Co., Ltd.	H Shares	21,340,000 (L) (Note 7)	Beneficial owner	Corporate	13.47% (L)	5.22% (L)
JP Morgan Chase & Co.	H Shares	12,390,500 (L)	Custodian	Corporate	7.82% (L)	3.03% (L)
		12,390,500 (P) (Note 8)	corporation/ approved lending agent		7.82% (P)	3.03% (P)

Name of Shareholders	Class of shares	Number of shares held	Capacity	Type of interest	Approximate percentage of Domestic Shares/H Shares	Approximate percentage of total share capital
HSBC Global Asset Management (Hong Kong) Limited (Formerly known as HSBC Investments (Hong Kong) Limited)	H Shares	10,000,000 (L)	Investment manager	Corporate	6.31% (L)	2.45% (L)

Notes: The letter “L” denotes a long position. The letter “P” denotes interests in a lending pool.

- 1) Mr. Wang An, a Director of the Company, was deemed to be interested in these Domestic Shares through his 90% interest in China Pingan Investment Holdings Limited.
- 2) Mr. Wang An, a Director, was deemed to be interested in these Domestic Shares through his 90% interest in Shandong Andre Group Co., Ltd.* (山東安德利集團有限公司).
- 3) The long position in 65,779,459 Domestic Shares was directly held by Donghua Fruit Industry Co., Ltd.. Based on the information provided by Donghua Fruit Industry Co., Ltd., Mr. Zhang Jiaming is deemed to be interested in these 65,779,459 Domestic Shares.
- 4) The long position in 63,746,040 Domestic Shares was 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), 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 Domestic Shares, and Guangzhou President Enterprises Co., Ltd. (廣州統一企業有限公司), which held 21,327,680 Domestic Shares.
- 5) Pursuant to Part XV of the SFO, Uni-President Enterprises Corp. (統一企業股份有限公司) was deemed to be interested in such 63,746,040 Domestic Shares. The 63,746,040 Domestic Shares were held by a series of controlled corporations of Uni-President Enterprises Corp. (統一企業股份有限公司), of which 42,418,360 Domestic Shares, representing approximately 10.37% of the total issued share capital of the Company, were held directly by Chengdu President Enterprises Food Co., Ltd. (成都統一企業食品有限公司) and 21,327,680 Domestic Shares, representing approximately 5.21% of the total issued share capital of the Company, were held directly by Guangzhou President Enterprises Co., Ltd. (廣州統一企業有限公司).
- 6) According to the public information available on the website of the Stock Exchange, Atlantis Capital Holdings Limited was a 100% controlled corporation of Liu Yang; Liu Yang was deemed to be interested in such 32,000,000 H Shares.
- 7) After the capitalization issue of shares by the Company in 2007, the number of H Shares held by Mitsui & Co., Ltd. was adjusted from 9,700,000 H shares to 21,340,000 H shares.
- 8) According to the public information available on the website of the Stock Exchange, these H Shares were held directly by JP Morgan Chase Bank N.A., a wholly-owned subsidiary of JP Morgan Chase & Co.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person who had an interest or short position in the shares or underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2

* For identification purpose only

and 3 of Part XV of the SFO, or, who is expected, directly or indirectly, to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group.

Mr. Wang An, an executive Director, is a director of China Pingan Investment Holdings Limited and Shandong Andre Group Co., Ltd.*, respectively.

Mr. Liu Tsung-Yi, a non-executive Director, is the vice president of the business integration division of Uni-President Enterprises Corp. and also the president/director/supervisor of 14 member companies of Uni-President Enterprises Corp., amongst which Tait Marketing and Distribution Co., Ltd. is a company listed on the Taiwan Greta Securities Market.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any Director who is also a director or employee of a company which has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO.

MATERIAL LITIGATION

As at the Latest Practicable Date, the Directors were not aware of any litigation or claim of material importance pending or threatened against any member of the Group.

COMPETING INTEREST

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors, the management shareholders of the Company, substantial shareholders of the Company and their respective associates had any interest in a business which competed or might compete with the businesses of the Group or had or might have any other conflicts of interest with the Group.

SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors or supervisors of the Company had any existing or proposed service contract with any member of the Group (excluding contracts expiring or terminable by the employer within a year without payment of any compensation (other than statutory compensation)).

MISCELLANEOUS

- (a) The registered office of the Company is at No. 18, Andre Avenue, Muping Economic Development Zone, Yantai City, Shandong Province, the PRC.
- (b) The Company's principal place of business in Hong Kong is at Room 1505, Wheelock House, 20 Pedder Street, Central, Hong Kong.
- (c) The qualified accountant and the company secretary of the Company is Miss Ng Man Yee, who is a fellow member of the Association of Chartered Certified Accountants, Chartered Accountant of the Institute of Chartered Accountants in England and Wales and Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.
- (d) The compliance officer of the Company is Mr. Zhang Hui who is also an executive Director.
- (e) The English text of this circular and the proxy form shall prevail over their respective Chinese text in the case of inconsistency.

MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2012, the date to which the latest published audited consolidated financial statements of the Group were made up.

DIRECTORS' INTERESTS IN ASSETS AND/OR CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, the Company or any of its subsidiaries since 31 December 2012, the date of which the latest published accounts of the Group were made up.

No contract or arrangement in which a Director was materially interested and which was significant in relation to the business of the Group subsisted as at the Latest Practicable Date.

CONSENT AND QUALIFICATION OF EXPERT

The following is the qualification of the professional adviser who has given the Company opinions and provided advices referred to and contained in this circular:

Name	Qualifications
Messis Capital Limited	A licensed corporation under the SFO to engage in Type 6 regulated activities under the SFO

As at the Latest Practicable Date, the above expert was not beneficially interested in the share capital of any member of the Group and did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any direct or indirect interest in any asset which had been, since 31 December 2012, being the date to which the latest audited financial statements of the Group were made up, acquired, or disposed of by, or leased to, or were proposed to be acquired, or disposed of by, or leased to, any member of the Group.

The above expert has given on 3 July 2013 and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter, report and references to its names included in this circular in the form and context in which it is included.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business of the Company in Hong Kong at Room 1505, Wheelock House, 20 Pedder Street, Central, Hong Kong during normal business hours from up to the date which is 14 days from the date of this circular:

- (a) the Agreement;
- (b) the letter of recommendation dated 3 July 2013 from the Independent Board Committee to the Independent Shareholders, the text of which is set out on page 14 of this circular;
- (c) the letter of advice dated 3 July 2013 from Mesis Capital Limited to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 15 to 28 of this circular; and
- (d) the written consent of Mesis Capital Limited referred to in this Appendix.

NOTICE OF SPECIAL GENERAL MEETING



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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the special general meeting (the “SGM”) of Yantai North Andre Juice Co., Ltd.* (烟台北方安德利果汁股份有限公司) (the “Company”) will be held at 2nd Floor, No. 18 Andre Avenue, Muping Economic Development Zone, Yantai City, Shandong Province, the PRC at 10:00 a.m. on Monday, 19 August 2013 to consider and, if though fit, pass the following resolutions (unless otherwise defined herein, the terms herein shall have the same meanings as defined in the circulars to the shareholders of the Company dated 3 July 2013 (the “Circulars”)):

ORDINARY RESOLUTIONS

1. To consider and approve the following resolution:

“THAT:

- (a) the Agreement, a copy of the Agreement having been produced to the SGM marked “A” and signed by the chairman of the SGM for identification purpose, and the Disposal be and is hereby approved, confirmed and ratified; and
 - (b) the Directors be and are hereby authorised to do all such acts and things as they consider necessary, desirable or expedient for the implementation of and giving effect to the Agreement and the Disposal.”
2. To consider and approve the resolution in relation to the appointment of BDO China Shu Lun Pan Certified Public Accountants LLP as the external auditors of the Company for the year ending 31 December 2013 and authorization to the Board to determine their remuneration.

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

Yantai, the PRC

3 July 2013

* For identification purpose only

NOTICE OF SPECIAL GENERAL MEETING

As at the date of this notice, the executive Directors of the Company are Messrs. Wang An, Zhang Hui and Wang Yan Hui, the non-executive Director is Mr. Liu Tsung-Yi, and the independent non-executive Directors are Mr. Li Tong Ning, Mr. Gong Fan and Mr. Chow Kam Hung.

Notes:

1. For the purpose of determining who may attend the SGM to be held on Monday, 19 August 2013, the register of H Shareholders will be closed from Saturday, 20 July 2013 to Monday, 19 August 2013 (both dates inclusive), during which no transfer of H Shares will be registered. In order to qualify for entitlement to attending and voting in the SGM, all transfers of H Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's H Share registrar, Tricor Tengis Limited for registration not later than 4:30 p.m. on Friday, 19 July 2013.

The address of Tricor Tengis Limited is as follows:

26th Floor
Tesbury Centre
28 Queen's Road East, Wanchai
Hong Kong
Fax: (852) 2810 8185

2. In accordance with the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. As such, the resolutions set out in the notice of SGM will be voted by poll. Results of the poll voting will be published on the Company's website at www.andre.com.cn and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk after the SGM.
3. Any Shareholder entitled to attend and vote at the SGM convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a Shareholder.
4. In order to be valid, the instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or authority, must be completed and deposited at the Company's H Share registrar, Tricor Tengis Limited (for H Shareholders) or the registered office of the Company (for Domestic Shareholders), at least 24 hours before the SGM or any adjourned meeting thereof. The Company's registered office is located at No. 18 Andre Avenue, Muping Economic Development Zone Yantai City, Shandong Province, the PRC (Fax no. (86-535) 421-8858). The Company's H Share registrar, Tricor Tengis Limited, is located at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong (Fax no. (852) 2810 8185).
5. Completion and return of a proxy form will not preclude you from attending and voting at the SGM or any adjourned meeting thereof if you so wish.
6. In case of joint shareholdings, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint shareholding.
7. Shareholders who intend to attend the SGM in person or by proxy should return the reply slip for the SGM to the registered office of the Company (for Domestic Shareholders) or the principal place of business of the Company in Hong Kong (for H Shareholders), by hand, by post or by fax on or before Tuesday, 30 July 2013. The Company's registered office is located at No. 18 Andre Avenue, Muping Economic Development Zone Yantai City, Shandong Province, the PRC (Fax no. (86-535) 421-8858). The principal place of business of the Company in Hong Kong, is located at Unit 2805, 28/F, The Center, 99 Queen's Road C, Hong Kong (Fax no. (852) 2587 9166).
8. The SGM is expected to last for about half a day. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses. Shareholders or their proxies shall produce their identity documents when attending the SGM.