

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.



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)

**ANNOUNCEMENT IN RELATION TO
THE CORRECTION OF ACCOUNTING ERRORS IN THE 2022 ANNUAL
REPORT**

References are made to (i) the annual report of Yantai North Andre Juice Co., Ltd.* (the “**Company**”) for the year ended 31 December 2022 published on 4 April 2023 (the “**2022 Annual Report**”); and (ii) the overseas regulatory announcement of the Company published on 29 May 2023. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as defined in the 2022 Annual Report.

In addition to the information contained in the 2022 Annual Report, the Company hereby provides the following supplemental information regarding the correction of accounting errors in the 2022 Annual Report.

Important Notice:

The correction of accounting errors mainly involved the changes in notes to the cash flow statement and the balance sheet. Except for such correction, it has no impact on the balance sheet or income statement in the 2022 Annual Report of the Company and does not affect the proper use of the Company’s 2022 Annual Report by investors.

I. OVERVIEW

Upon receipt of Regulatory Enquiry Letter in relation to the Information Disclosure in the 2022 Annual Report of Yantai North Andre Juice Co., Ltd.* (Shanghai Stock Exchange Official Letter [2023] No.0336) issued by the Listed Company Management Department I of the Shanghai Stock Exchange on 25 April 2023, the Company identified the accounting errors in the accounting treatment for the cash flow statement of the 2022 Annual Report through self-inspection. The accounting errors only affected cash flows from operating activities and cash flows from investing activities in the cash flow statement and notes to the balance sheet of the Company’s 2022 Annual Report, and had no significant impact on the financial position, operating results and cash flows of the Company for 2022.

* *For identification purposes only*

On 29 May 2023, the Company convened the eleventh meeting of the eighth session of the board of directors and the seventh meeting of the eighth session of the supervisory committee, respectively, to consider and approve the Proposal on Correction of Accounting Errors. In accordance with the Standards for the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No. 19 – Correction of Financial Information and Relevant Disclosure and the relevant requirements of the Shanghai Stock Exchange, the Company corrected accounting errors.

II. REASONS FOR CORRECTION OF ACCOUNTING ERRORS IN THE 2022 ANNUAL REPORT

1. During the reporting period, the Company disposed of 75% equity interest in Yantai Andre Juice Co., Ltd., and included the cash flow from the disposal date (23 December 2022) to the end of that month (31 December 2022) into the consolidated cash flow, and such accounting treatment was wrong. The affected items and amounts in the cash flow statement are as follows:

Unit: RMB

Items in the cash flow statement	Amount in the 2022 Annual Report	Cash flow after the date of equity disposal	Amount after restatement	Reason for correction
Payments for other operating activities	21,313,119.89	-37,107.30	21,276,012.59	Daily operating expense paid after the date of equity disposal
Investment returns received	45,645,831.78	-21,007.35	45,624,824.43	Returns from disposal of wealth management products after the date of equity disposal
Proceeds from other investing activities	6,312,998.04	-695.17	6,312,302.87	Interest on time deposits received after the date of equity disposal
Net proceeds from disposal of subsidiaries and other operating units	11,198,612.19	-15,404.78	11,183,207.41	Difference between the balance of cash at bank and on hand on the date of equity disposal and the balance of cash at bank and on hand as at 31 December 2022
Proceeds from disposal of investments	4,987,198,191.68	-20,000,000.00	4,967,198,191.68	The principal of wealth management products recovered after the date of equity disposal

Items in the cash flow statement	Amount in the 2022 Annual Report	Cash flow after the date of equity disposal	Amount after restatement	Reason for correction
Payments for other investing activities	120,000,000.00	-20,000,000.00	100,000,000.00	Fund lending after the date of equity disposal

2. The earnest money of RMB100 million paid for acquisition of equity interest to Yantai Bihai City Development and Investment Co., Ltd. (烟台碧海城市開發投資有限公司) was classified as short-term other debt investments and fund lending in the notes to financial statements, which was wrong. The disclosure involved such amount in Note 8. Other current assets and Note 47. Notes to the statement of cash flows under Note V to the financial statements was revised to “earnest money for equity interest”.

III. THE IMPACT OF CORRECTION OF ACCOUNTING ERRORS FOR 2022 ON THE FINANCIAL POSITION AND OPERATING RESULTS IN THE CONSOLIDATED FINANCIAL STATEMENTS DURING THE COMPARISON PERIOD

(I) Specific impact on items and amounts in the consolidated financial statement for the year of 2022

Affected items in the statement for the comparison period	Amount before restatement	Cumulative affected amount	(Unit: RMB) Amount after restatement
Cash flow statement			
Payments for other operating activities	21,313,119.89	-37,107.30	21,276,012.59
Net cash flows from operating activities	240,732,253.32	37,107.30	240,769,360.62
Investment returns received	45,645,831.78	-21,007.35	45,624,824.43
Proceeds from other investing activities	6,312,998.04	-695.17	6,312,302.87
Net proceeds from disposal of subsidiaries and other operating units	11,198,612.19	-15,404.78	11,183,207.41
Proceeds from disposal of investments	4,987,198,191.68	-20,000,000.00	4,967,198,191.68
Payments for other investing activities	120,000,000.00	-20,000,000.00	100,000,000.00
Net cash flows from investing activities	-377,579,146.66	-37,107.30	-377,616,253.96

(II) Impact on the notes in the 2022 Annual Report*(Unit: RMB)***NOTE 8. OTHER CURRENT ASSETS****1. Other current assets are presented separately**

Items	Closing balance	Opening balance
Input VAT recoverable	10,676,286.28	19,427,526.63
Short-term other debt investments	191,715,249.89	120,433,424.66
Total	202,391,536.17	139,860,951.29

Revised as:

Items	Closing balance	Opening balance
Input VAT recoverable	10,676,286.28	19,427,526.63
Short-term other debt investments	96,549,000.00	120,433,424.66
Earnest money for equity interest	95,166,249.89	—
Total	202,391,536.17	139,860,951.29

NOTE 47. NOTES TO THE STATEMENT OF CASH FLOWS**2. Cash paid relating to other operating activities**

Items	Current amount incurred	Prior period occurrence
Fees and other expenses paid, etc.	21,313,119.89	26,805,452.46
Total	21,313,119.89	26,805,452.46

Revised as:**Cash paid relating to other operating activities**

Items	Current amount incurred	Prior period occurrence
Fees and other expenses paid, etc.	21,276,012.59	26,805,452.46

Items	Current amount incurred	Prior period occurrence
Total	21,276,012.59	26,805,452.46

3. Cash received relating to other investing activities

Items	Current amount incurred	Prior period occurrence
Interest income	6,312,998.04	3,987,137.71
Total	6,312,998.04	3,987,137.71

Revised as:

Cash received relating to other investing activities

Items	Current amount incurred	Prior period occurrence
Interest income	6,312,302.87	3,987,137.71
Total	6,312,302.87	3,987,137.71

4. Other cash paid in relation to investing activities

Item	Amount incurred for the current period	Amount incurred for the previous period
Fund lending	120,000,000.00	—
Total	120,000,000.00	—

Revised as:

Other cash paid in relation to investing activities

Item	Amount incurred for the current period	Amount incurred for the previous period
Earnest money for equity interest	100,000,000.00	—
Total	100,000,000.00	—

NOTE 48. SUPPLEMENTARY INFORMATION TO THE STATEMENT OF CASH FLOWS

1. Supplementary information to the statement of cash flows

Items	Current amount	Prior period amount
Decrease in inventories (increase is indicated by “-”)	85,120,357.69	37,855,239.88
Decrease in operating receivables (increase is indicated by “-”)	-33,236,512.34	-18,989,379.36
Increase in operating payables (decrease is indicated by “-”)	-10,586,126.64	32,299,595.12
Net cash flows from operating activities	240,732,253.32	194,021,077.47

Revised as:

Items	Current amount	Prior period amount
Decrease in inventories (increase is indicated by “-”)	85,123,894.82	37,855,239.88
Decrease in operating receivables (increase is indicated by “-”)	-33,227,365.04	-18,989,379.36
Increase in operating payables (decrease is indicated by “-”)	-10,561,703.77	32,299,595.12
Net cash flows from operating activities	240,769,360.62	194,021,077.47

2. Net cash received from the disposal of the subsidiaries during the year

Items	Amount
Cash or cash equivalents received from the disposal of subsidiaries in the current period	11,420,000.00
Of which: Yantai Andre Juice Co., Ltd.	11,420,000.00

Items	Amount
Less: cash and cash equivalents held by the subsidiary on the day when control is lost	221,387.81
Of which: Yantai Andre Juice Co., Ltd.	221,387.81
Plus: cash or cash equivalents received in the current period from the disposal of the subsidiary in the previous period	–
Net cash received from disposal of subsidiaries	11,198,612.19

Revised as:

Items	Amount
Cash or cash equivalents received from the disposal of subsidiaries in the current period	11,420,000.00
Of which: Yantai Andre Juice Co., Ltd.	11,420,000.00
Less: cash and cash equivalents held by the subsidiary on the day when control is lost	236,792.59
Of which: Yantai Andre Juice Co., Ltd.	236,792.59
Plus: cash or cash equivalents received in the current period from the disposal of the subsidiary in the previous period	–
Net cash received from disposal of subsidiaries	11,183,207.41

IV. CONCLUSIVE OPINIONS OF INDEPENDENT DIRECTORS, THE SUPERVISORY COMMITTEE AND THE AUDITOR

(I) Opinions of the independent directors

After review, we are of the view that the correction of accounting errors is in compliance with the requirements of relevant documents such as Accounting Standard for Business Enterprises No. 28 – Changes in Accounting Policies and Accounting Estimates and Corrections of Errors and the Standards for the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No. 19 – Correction of Financial Information and Relevant Disclosure (revised in 2020), and the revised information can more objectively and fairly reflect the cash flows of the Company. The consideration and voting procedure of the board of directors for the correction of

accounting errors was in compliance with the laws, regulations, the articles of association and other relevant requirements, which is not prejudicial to the interests of the Company and all shareholders, especially minority shareholders. We approved the correction of accounting errors.

(II) Opinions of the supervisory committee

The supervisory committee is of the view that the correction of accounting errors of the Company is in compliance with the relevant requirements of the Accounting Standard for Business Enterprises No. 28 – Changes in Accounting Policies and Accounting Estimates and Corrections of Errors, the Standards for the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No. 19 – Correction of Financial Information and Relevant Disclosure and Guidelines for the Application of Regulatory Rules – Accounting No.1, and the revised financial statements can more objectively and fairly reflect the financial position and operating results of the Company, which is conducive to improvement in quality of the Company’s financial information. The supervisory committee approved the correction of accounting errors.

(III) Opinions of the auditor

The auditor Da Hua Certified Public Accountants LLP issued the Review Report on Specific Explanation on the Correction of Accounting Errors for Prior Periods of Yantai North Andre Juice Co., Ltd.* (Da Hua He Zi [2023] No. 0012380), and is of the view that the Specific Explanation on the Correction of Accounting Errors in the 2022 Annual Report prepared by the Company has prepared in accordance with the relevant requirements including Accounting Standard for Business Enterprises No. 28 – Changes in Accounting Policies and Accounting Estimates and Corrections of Errors and Standards for the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No. 19 – Correction of Financial Information and Relevant Disclosure issued by the China Securities Regulatory Commission, and has faithfully reflected the correction of accounting errors in the 2022 Annual Report of the Company.

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

Yantai, the PRC, 6 June 2023

As of the date of this announcement, the executive Directors are Mr. Wang An, Mr. Wang Yan Hui, Mr. Wang Kun and Ms. Wang Meng, the non-executive Directors are Mr. Zhang Hui and Mr. Liu Tsung-Yi, and the independent non-executive Directors are Mr. Gong Fan, Ms. Wang Yan and Mr. Li Yao.

* For identification purpose only