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烟台北方安德利果汁股份有限公司

Yantai North Andre Juice Co., Ltd.*

(a joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 8259)

ANNOUNCEMENT

CONNECTED TRANSACTIONS

The Board is pleased to announce that on 10 February 2010, (1) Andre Pectin (as purchaser) entered into the Xuzhou Share Transfer Agreement with Xuzhou Andre Juice (as vendor) and Xuzhou Andre Pomace whereby Andre Pectin agreed to purchase from Xuzhou Andre Juice, a wholly-owned subsidiary of the Company, 75% equity interest in Xuzhou Andre Pomace at a cash consideration of RMB3,221,317.04; (2) Andre Pectin (as purchaser) entered into the Baishui Share Transfer Agreement with Baishui Andre Juice (as vendor) and Baishui Andre Bio-feedstuff whereby Andre Pectin agreed to purchase from Baishui Andre Juice, a wholly-owned subsidiary of the Company, 75% equity interest in Baishui Andre Bio-feedstuff at a cash consideration of RMB3,468,264.53.

Upon completion of the Xuzhou Share Transfer Agreement and the Baishui Share Transfer Agreement, Andre Pectin will own 75% equity interest in each of Xuzhou Andre Pomace and Baishui Andre Bio-feedstuff and the remaining 25% equity interest of Xuzhou Andre Pomace and Baishui Andre Bio-feedstuff will be indirectly held by the Company.

Under the GEM Listing Rules, Andre Pectin is an associate of Andre Group, which is a substantial shareholder of the Company and controls 40% interest in Andre Pectin; Andre Pectin is also an associate of Mr. Wang An, who is a director of the Company and indirectly controls 40% interest in Andre Pectin through his 80% interest in Andre Group. Therefore, Andre Pectin is a connected person of the Company and the Proposed Share Transfers will constitute connected transactions of the Company pursuant to Chapter 20 of the GEM Listing Rules. As the relevant percentage ratios (as defined in Rules 19.07) in relation to the Proposed Share Transfers are less than 2.5% and the total consideration is more than HK\$1,000,000, the Proposed Share Transfers will be subject to the reporting and announcement requirements under Chapter 20 of the GEM Listing Rules.

The Board is pleased to announce that on 10 February 2010, (1) Andre Pectin (as purchaser) entered into the Xuzhou Share Transfer Agreement with Xuzhou Andre Juice (as vendor) and Xuzhou Andre Pomace whereby Andre Pectin agreed to purchase from Xuzhou Andre Juice, a wholly-owned subsidiary of the Company, 75% equity interest in Xuzhou Andre Pomace at a cash consideration of RMB3,221,317.04; (2) Andre Pectin (as purchaser) entered into the Baishui Share Transfer Agreement with Baishui Andre Juice (as vendor) and Baishui Andre Bio-feedstuff whereby Andre Pectin agreed to purchase from

Baishui Andre Juice, a wholly-owned subsidiary of the Company, 75% equity interest in Baishui Andre Bio-feedstuff at a cash consideration of RMB3,468,264.53.

KEY TERMS OF THE XUZHOU SHARE TRANSFER AGREEMENT

- (1) **Date:** 10 February 2010
- (2) **Parties:** (a) Xuzhou Andre Juice (as vendor)
- (b) Andre Pectin (as purchaser)
- (c) Xuzhou Andre Pomace

(3) **Proposed Share Transfer**

Andre Pectin agreed to purchase from Xuzhou Andre Juice 75% equity interest in Xuzhou Andre Pomace at a cash consideration of RMB3,221,317.04.

(4) **Consideration**

The total consideration for the proposed share transfer shall be RMB3,221,317.04, which represents 75% of the audited net assets value of Xuzhou Andre Pomace as at 31 December 2009 of RMB4,295,089.39. The consideration was determined after arm's length negotiations between Andre Pectin and Xuzhou Andre Juice. The total consideration will be paid by Andre Pectin in cash by two installments, 25% of which will be settled within 15 business days from the date of signing the Xuzhou Share Transfer Agreement and the remaining 75% will be fully settled within 6 months. The cash payments will be funded by the internal resources of Andre Pectin.

(5) **Other conditions**

The Xuzhou Share Transfer Agreement will be effective from the date of signing of the agreement by the respective parties and upon approval by the competent governmental authorities.

KEY TERMS OF THE BAISHUI SHARE TRANSFER AGREEMENT

- (1) **Date:** 10 February 2010
- (2) **Parties:** (a) Baishui Andre Juice (as vendor)
- (b) Andre Pectin (as purchaser)
- (c) Baishui Andre Bio-feedstuff

(3) Proposed Share Transfer

Andre Pectin agreed to purchase from Baishui Andre Juice 75% equity interest in Baishui Andre Bio-feedstuff at a cash consideration of RMB3,468,264.53.

(4) Consideration

The total consideration for the proposed share transfer shall be RMB3,468,264.53, which represents 75% of the audited net assets value of Baishui Andre Bio-feedstuff as at 31 December 2009 of RMB4,624,352.70. The consideration was determined after arm's length negotiations between Andre Pectin and Baishui Andre Juice. The total consideration will be paid by Andre Pectin in cash by two installments, 25% of which will be settled within 15 business days from the date of signing the Baishui Share Transfer Agreement and the remaining 75% will be fully settled within 6 months. The cash payments will be funded by the internal resources of Andre Pectin.

(5) Other conditions

The Baishui Share Transfer Agreement will be effective from the date of signing of the agreement by the respective parties and upon approval by the competent governmental authorities.

INFORMATION ABOUT XUZHOU ANDRE POMACE

Xuzhou Andre Pomace was established on 7 January 2004 and is principally engaged in the manufacture and sale of pomace products.

Upon establishment, Xuzhou Andre Pomace was an indirectly wholly-owned subsidiary of the Company, owned as to 75% by Xuzhou Andre Juice and as to 25% by Andre BVI, both of which are wholly-owned subsidiaries of the Company.

The interests of the Group and Andre Pectin in Xuzhou Andre Pomace before and after the completion of the transaction contemplated under the Xuzhou Share Transfer Agreement are illustrated as follows:

Owner of equity interests	Before completion		After completion	
	Equity interests (USD)	Percentage of equity interests	Equity interests (USD)	Percentage of equity interests
Xuzhou Andre Juice	375,000	75%	–	–
Andre BVI	125,000	25%	125,000	25%
Andre Pectin	–	–	375,000	75%
Total	500,000	100%	500,000	100%

Upon completion of the transaction contemplated under the Xuzhou Share Transfer Agreement, Xuzhou Andre Pomace will cease to be a subsidiary of the Company. The Company will then equity accounted for the results of the Xuzhou Andre Pomace.

The audited net assets book value and appraised net assets value, based on the asset-based approach (資產基礎法), of Xuzhou Andre Pomace as at 31 December 2009 were RMB4,295,089.39 and RMB4,335,829.39 respectively. As at 31 December 2009, the audited net profits (both before and after taxation and extraordinary items) attributable to Xuzhou Andre Pomace were RMB147,108.19 and RMB119,399.23, respectively. As at 31 December 2008, the audited net profits before and after taxation and extraordinary items attributable to Xuzhou Andre Pomace were RMB423,061.14 and RMB391,844.09, respectively.

INFORMATION ABOUT BAISHUI ANDRE BIO-FEEDSTUFF

Baishui Andre Bio-feedstuff was established on 16 December 2004 and is principally engaged in the manufacture and sale of bio-feedstuff.

Upon establishment, Baishui Andre Bio-feedstuff was an indirectly wholly-owned subsidiary of the Company, owned as to 75% by Baishui Andre Juice and as to 25% by Andre BVI, both of which are wholly-owned subsidiaries of the Company.

The interests of the Group and Andre Pectin in Baishui Andre Bio-feedstuff before and after the completion of the transaction contemplated under the Baishui Share Transfer Agreement are illustrated as follows:

Owner of equity interests	Before completion		After completion	
	Equity interests (RMB)	Percentage of equity interests	Equity interests (RMB)	Percentage of equity interests
Baishui Andre Juice	3,103,500	75%	–	–
Andre BVI	1,034,500	25%	1,034,500	25%
Andre Pectin	–	–	3,103,500	75%
Total	4,138,000	100%	4,138,000	100%

Upon completion of the transaction contemplated under the Baishui Share Transfer Agreement, Baishui Andre Bio-feedstuff will cease to be a subsidiary of the Company. The Company will then equity accounted for the results of the Baishui Andre Bio-feedstuff.

The audited net assets book value and appraised net assets value, based on the asset-based approach (資產基礎法), of Baishui Andre Bio-feedstuff as at 31 December 2009 were RMB4,624,352.70 and RMB4,631,849.67 respectively. As at 31 December 2009, the audited net profits (both before and after taxation and extraordinary items) attributable to Baishui Andre Bio-feedstuff were RMB172,447.02. As at 31 December 2008, the audited net profits before and after taxation and extraordinary items attributable to Baishui Andre Bio-feedstuff were RMB563,825.65 and RMB492,860.77, respectively.

INFORMATION ABOUT THE COMPANY, XUZHOU ANDRE JUICE AND BAISHUI ANDRE JUICE

The Company is principally engaged in the business of manufacturing and sale of apple juice concentrate, pear juice concentrate, apple essence, feedstuff and related products. The H shares of the Company are listed on the GEM.

Xuzhou Andre Juice and Baishui Andre Juice are both wholly-owned subsidiaries of the Company and are principally engaged in the manufacture and sale of juice.

INFORMATION ABOUT ANDRE PECTIN

Andre Pectin was established on 25 September 2003 as a wholly-owned subsidiary of the Company. Andre Pectin was set up as a preliminary step for the Group to develop its pectin business, in the ultimate pursuit to diversify its product mix and is principally engaged in the manufacture and sales of pectin.

On 11 November 2009, Andre Group entered into a share transfer agreement with the Group whereby, subject to certain conditions precedent, Andre Group agreed to purchase 10% equity interest in Andre Pectin at a cash consideration of RMB25,000,000. Further information about such agreement and transaction have been disclosed in the relevant announcement of the Company dated 11 November 2009. Upon completion of the share transfer agreement, Andre Group owns 40% equity interest in Andre Pectin.

Andre Group is a substantial shareholder holding 746,585,400 domestic shares of the Company, representing 17.5% of the total issued share capital of the Company as at the date of this announcement. Andre Pectin is an associate of Andre Group and therefore a connected person of the Company.

Mr. Wang An, a director of the Company, indirectly controls 40% interest in Andre Pectin through his 80% interest in Andre Group. Andre Pectin is also an associate of Mr. Wang An.

REASONS FOR THE PROPOSED SHARE TRANSFERS

The manufacture of pomace products and bio-feedstuff requires advanced technological know-how and support for market promotions, which involve substantial capital investments. The Directors believe that it may be more cost-effective for the Group to share the costs of investments and hence decide to transfer 75% equity interest in each of Xuzhou Andre Pomace and Baishui Andre Bio-feedstuff to Andre Pectin.

Andre Pectin has ample experience in developing pomace products manufacture technologies. The Directors are therefore of the view that the cooperation with Andre Pectin will facilitate the business development of the Group.

The terms of the Xuzhou Share Transfer Agreement and Baishui Share Transfer Agreement were negotiated on an arm's length basis with reference to the appraised net assets value of Xuzhou Andre Pomace and Baishui Andre Bio-feedstuff as at 31 December 2009. The Directors consider that the terms of the Xuzhou Share Transfer Agreement and Baishui Share Transfer Agreement were entered into on normal commercial terms and are fair and reasonable and are in the interest of the Group and shareholders of the Company as a whole.

No gain or loss is expected to accrue to the Company on the Proposed Share Transfers. The Company proposes to use the proceeds from the Proposed Share Transfers as general working capital of the Company.

GEM LISTING RULES IMPLICATIONS

Under the GEM Listing Rules, Andre Pectin is an associate of Andre Group, which is a substantial shareholder of the Company and controls 40% interest in Andre Pectin; Andre Pectin is also an associate of Mr. Wang An, who is a director of the Company and indirectly controls 40% interest in Andre Pectin through his 80% interest in Andre Group. Therefore, Andre Pectin is a connected person of the Company and the Proposed Share Transfers will constitute connected transactions of the Company pursuant to Chapter 20 of the GEM Listing Rules. As the relevant percentage ratios (as defined in Rules 19.07) in relation to the Proposed Share Transfers are less than 2.5% and the total consideration is more than HK\$1,000,000, the Proposed Share Transfers will be subject to the reporting and announcement requirements under Chapter 20 of the GEM Listing Rules.

DEFINITIONS

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

“Andre BVI”	Andre Juice Co., Ltd., a wholly-owned subsidiary of the Company incorporated in the British Virgin Islands
“Andre Group”	Shangdong 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 80% by Mr. Wang An
“Andre Pectin”	Yantai Andre Pectin Co., Ltd. (烟台安德利果膠有限公司) (formerly known as Yantai North Andre Pectin Co., Ltd.), a limited liability company incorporated in the PRC
“associate”	has the meaning ascribed to it under the GEM Listing Rules
“Baishui Andre Bio-feedstuff”	Baishui Andre Bio-feedstuff Co., Ltd. (白水安德利生物飼料有限公司), a limited liability company incorporated in the PRC
“Baishui Andre Juice”	Baishui Andre Juice Co., Ltd. (白水安德利果蔬汁有限公司), a limited liability company incorporated in the PRC
“Baishui Share Transfer Agreement”	the agreement dated 10 February 2010, entered into between Baishui Andre Juice, Andre Pectin and Baishui Andre Bio-feedstuff, pursuant to which Baishui Andre Juice agreed to sell and Andre Pectin agreed to purchase 75% equity interest in Baishui Andre Bio-feedstuff
“Board”	the board of Directors
“Company”	Yantai North Andre Juice Co., Ltd. * (烟台北方安德利果汁股份有限公司), a joint stock limited company incorporated in the PRC with limited liability and whose H shares are listed on GEM
“Directors”	the directors of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	The Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“PRC”	the People’s Republic of China
“Proposed Share Transfers”	transactions contemplated in the Xuzhou Share Transfer Agreement and Baishui Share Transfer Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Xuzhou Andre Juice”	Xuzhou Andre Juice Co., Ltd. (徐州安德利果蔬汁有限公司), a limited liability company incorporated in the PRC
“Xuzhou Andre Pomace”	Xuzhou Andre Pomace Products Co., Ltd. (徐州安德利果渣製品有限公司), a limited liability company incorporated in the PRC
“Xuzhou Share Transfer Agreement”	the agreement dated 10 February 2010, entered into between Xuzhou Andre Juice, Andre Pectin and Xuzhou Andre Pomace, pursuant to which Xuzhou Andre Juice agreed to sell and Andre Pectin agreed to purchase 75% equity interest in Xuzhou Andre Pomace
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region of the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“USD”	US dollars, the lawful currency of the United States of America
“%”	Percent

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

Yantai, the PRC, 10 February 2010

As at the date hereof, the Board comprises:

Mr. Wang An (*Executive Director*)
Mr. Zhang Hui (*Executive Director*)
Mr. Jiang Hong Qi (*Executive Director*)
Mr. Lin Wu-Chung (*Non-executive Director*)
Mr. Liu Tsung-Yi (*Non-executive Director*)
Mr. Wu Jian Hui (*Independent non-executive Director*)
Ms. Yu Shou Neng (*Independent non-executive Director*)
Ms. Qu Wen (*Independent non-executive Director*)

The announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information

contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the“ Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for seven days from the date of its posting and on the Company’s website at www.andre.com.cn.

** For identification purpose only*