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If you are in any doubt about this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares of China Haisheng Juice Holdings Co., Ltd., you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

China Haisheng Juice Holdings Co., Ltd.

中國海升果汁控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0359)

(1) CONTINUING CONNECTED TRANSACTION RENEWAL OF FRAMEWORK AGREEMENT

AND

(2) NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders



A letter from the Board is set out on pages 4 to 14 of this circular. A letter from the Independent Board Committee containing its recommendation to the Shareholders is set out on pages 15 to 16 of this circular. A letter from Guoyuan Capital, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 17 to 30 of this circular.

A notice convening an extraordinary general meeting (the “**Extraordinary General Meeting**”) of the Company to be held at conference room of Shaanxi Haisheng Fresh Fruit Juice Co., Ltd., at 2/F, 359 Shenzhou 3rd Road, Chang’an District, Xi’an, Shaanxi Province, the PRC, at 10 a.m. on Tuesday, 10 August 2021, is set out on pages 37 to 39 of this circular.

Whether or not you are able to attend the Extraordinary General Meeting, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return the same to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the Extraordinary General Meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the Extraordinary General Meeting or any adjourned meeting if you so wish.

23 July 2021

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DEFINITIONS

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

“Annual Cap”	the annual aggregate maximum amount of purchase of apple juice concentrates payable by Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage to Shaanxi Haisheng under the 2021 Framework Agreements
“associate”	has the meaning given to it under the Listing Rules
“Board”	the board of Directors
“Company”	China Haisheng Juice Holdings Co., Ltd. (中國海升果汁控股有限公司), a company incorporated in the Cayman Islands as an exempted company with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“Continuing Connected Transactions”	the continuing connected transactions contemplated under the 2021 Framework Agreements
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Extraordinary General Meeting”	an extraordinary general meeting to be convened by the Company to consider and, if thought fit, approve the 2021 Framework Agreements and the transactions contemplated thereunder and the Annual Cap
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Tiandi”	Tiandi Win-Win Investment Management Co., Limited(天地共贏投資管理有限公司), a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of 深圳市天地共贏投資管理有限公司 (Shenzhen Tiandi Win-Win Investment Management Co., Limited*) which is a company established in the PRC with limited liability and a wholly-owned subsidiary of Tiandi Yihao Beverage

DEFINITIONS

“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors, namely, Ms. Huang Liqiong, Mr. Zhao Boxiang and Mr. Liu Zhongli
“Independent Financial Advisor” or “Guoyuan Capital”	Guoyuan Capital (Hong Kong) Limited, a corporation licensed to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial advisor appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the terms of the 2021 Framework Agreements and the transactions contemplated thereunder
“Independent Shareholder(s)”	any Shareholder(s) that is not required to abstain from voting at the Extraordinary General Meeting to approve the 2021 Framework Agreements and the transactions contemplated thereunder
“Independent Third Party(ies)”	person(s) or entity(ies) that is or are not connected person(s) within the meaning of the Listing Rules
“Jiangxi Tiandi Yihao Beverage”	江西天地壹號飲料有限公司(Jiangxi Tiandi Yihao Beverage Co. Ltd.*), a company established in the PRC with limited liability and a direct wholly-owned subsidiary of Tiandi Yihao Beverage
“Latest Practicable Date”	19 July 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this circular excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shaanxi Haisheng”	陝西海升果業發展股份有限公司 (Shaanxi Haisheng Fruit Juice Co., Ltd.*), a company established in the PRC with limited liability and a non-wholly owned subsidiary of the Company

DEFINITIONS

“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of Shares in the issued capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed to it in section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Term”	the duration of the 2021 Framework Agreements
“Tiandi Yihao Beverage”	天地壹號飲料股份有限公司 (Tiandi Yihao Beverage Co., Ltd.*), a joint stock company established in the PRC with limited liability and the issued shares of which are listed on the National Equities Exchange and Quotations of the PRC
“%”	per cent.
“2020 Framework Agreement”	the framework agreement dated 3 January 2020 entered into between Shaanxi Haisheng and Tiandi Yihao Beverage in relation to the purchase of apple juice concentrates by Tiandi Yihao Beverage from Shaanxi Haisheng, which expired on 31 December 2020
“2021 Framework Agreement I”	the framework agreement dated 22 June 2021 entered into between Shaanxi Haisheng and Tiandi Yihao Beverage in relation to the purchase of apple juice concentrates by Tiandi Yihao Beverage from Shaanxi Haisheng upon the terms and conditions therein
“2021 Framework Agreement II”	the framework agreement dated 22 June 2021 entered into between Shaanxi Haisheng and Jiangxi Tiandi Yihao Beverage in relation to the purchase of apple juice concentrates by Jiangxi Tiandi Yihao Beverage from Shaanxi Haisheng upon the terms and conditions therein
“2021 Framework Agreements”	collectively, the 2021 Framework Agreement I and the 2021 Framework Agreement II

* *The English translation of Chinese names or words in this circular, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

LETTER FROM THE BOARD

China Haisheng Juice Holdings Co., Ltd.

中國海升果汁控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0359)

Executive Directors:

Mr. Gao Liang (*Chairman*)

Mr. Wang Junqing

Mr. Wang Yasen

Mr. Qu Binglian

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Independent non-executive Directors:

Ms. Huang Liqiong

Mr. Zhao Boxiang

Mr. Liu Zhongli

*Head office and principal place of
business in Hong Kong:*

Room B, 3rd Floor

Eton Building

288 Des Voeux Road Central

Hong Kong

23 July 2021

To the Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTION
RENEWAL OF FRAMEWORK AGREEMENT**

INTRODUCTION

Reference is made to the announcement of the Company dated 22 June 2021 in relation to, among others, the 2021 Framework Agreements.

On 22 June 2021, the Company announced that the 2020 Framework Agreement has expired on 31 December 2020 and on 22 June 2021, Shaanxi Haisheng entered into the 2021 Framework Agreement I with Tiandi Yihao Beverage and the 2021 Framework Agreement II with Jiangxi Tiandi Yihao Beverage to renew the terms of the relevant continuing connected transactions for a term commencing from 1 January 2021 and ending on 31 December 2021 (both dates inclusive).

LETTER FROM THE BOARD

The 2021 Framework Agreements are conditional on the approval of the Independent Shareholders' at the Extraordinary General Meeting and Shaanxi Haisheng's compliance with the requirements under the Listing Rules and applicable relevant regulations. These conditions precedent cannot be waived. The Company did not enter and will not enter into any transaction with Tiandi Yihao Beverage or Jiangxi Tiandi Yihao Beverage as contemplated under the 2021 Framework Agreements during the period from 1 January 2021 up to the date of the Extraordinary General Meeting.

As at the Latest Practicable Date, (i) Shaanxi Haisheng is a non-wholly owned subsidiary of the Company; and (ii) Hong Kong Tiandi, an indirect wholly-owned subsidiary of Tiandi Yihao Beverage, is interested in 17.68% of the issued share capital of the Company which comprises 227,996,000 Shares. Jiangxi Tiandi Yihao Beverage is a direct wholly-owned subsidiary of Tiandi Yihao Beverage.

Accordingly, Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage are connected persons of the Company. The 2021 Framework Agreements and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since the 2021 Framework Agreement I and the 2021 Framework Agreement II are of a similar nature and have been entered into by the Group with parties who are connected with one another within a 12-month period, the transactions contemplated under the 2021 Framework Agreements shall be aggregated as if they were one transaction pursuant to Rule 14A.81 of the Listing Rules.

As one or more of the relevant applicable percentage ratios in respect of the Continuing Connected Transactions will be more than 5% and the aggregate annual consideration payable by the Company under the 2021 Framework Agreements will exceed HK\$10,000,000, the Continuing Connected Transactions are subject to the reporting, announcement, circular, annual review and Independent Shareholders' approval under Chapter 14A of the Listing Rules.

In order to comply with the Listing Rules, the Company will convene the Extraordinary General Meeting to seek the Independent Shareholders' approval for the Continuing Connection Transactions and the Annual Cap.

The Independent Board Committee has been established to advise the Independent Shareholders in relation to the Continuing Connected Transactions and the Annual Cap. Guoyuan Capital has been appointed to advise the Independent Shareholders in relation to the Continuing Connected Transactions and the Annual Cap.

The purpose of this circular is to provide the Shareholders with further details of the Continuing Connected Transactions, and the letter from the Independent Board Committee to the Independent Shareholders, the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, together with the notice of Extraordinary General Meeting.

LETTER FROM THE BOARD

THE 2021 FRAMEWORK AGREEMENT I

- Date:** 22 June 2021
- Term:** 1 January 2021 to 31 December 2021 (both dates inclusive)
- Parties:** (a) Shaanxi Haisheng (as supplier); and
(b) Tiandi Yihao Beverage (as customer).
- Products involved:** Tiandi Yihao Beverage agreed to purchase from Shaanxi Haisheng, and Shaanxi Haisheng agreed to sell to Tiandi Yihao Beverage, apple juice concentrates.
- The estimated total volume of apple juice concentrates to be purchased by Tiandi Yihao Beverage during the Term will be 3,727 tonnes. A prescribed fluctuation range of 15% is allowed for the volume to be purchased by Tiandi Yihao Beverage during the Term. The exact volume is to be set out in the purchase orders to be entered between Shaanxi Haisheng and Tiandi Yihao Beverage from time to time.
- Purchase price:** The purchase price will be calculated based on (i) a unit price of RMB8,212 per tonne (tax and packaging and shipping charges inclusive) for the initial 727 tonnes; and (ii) a unit price of RMB8,300 per tonne (tax and packaging and shipping charges inclusive) for the following 3,000 tonnes.
- Payment:** Tiandi Yihao Beverage shall pay the purchase price in respect of the products to be purchased from Shaanxi Haisheng by way of banker's acceptance.
- Payment terms:** 3 months after the date of the relevant invoice issued.
- Conditions precedent:** The 2021 Framework Agreement I is conditional on the approval of the Independent Shareholders' at the Extraordinary General Meeting and Shaanxi Haisheng's compliance with the requirements under the Listing Rules and applicable relevant regulations. These conditions precedent cannot be waived.

LETTER FROM THE BOARD

THE 2021 FRAMEWORK AGREEMENT II

- Date:** 22 June 2021
- Term:** 1 January 2021 to 31 December 2021 (both dates inclusive)
- Parties:** (a) Shaanxi Haisheng (as supplier); and
(b) Jiangxi Tiandi Yihao Beverage (as customer).
- Products involved:** Jiangxi Tiandi Yihao Beverage agreed to purchase from Shaanxi Haisheng, and Shaanxi Haisheng agreed to sell to Jiangxi Tiandi Yihao Beverage, apple juice concentrates.
- The estimated total volume of apple juice concentrates to be purchased by Jiangxi Tiandi Yihao Beverage during the Term will be 970 tonnes. A prescribed fluctuation range of 15% is allowed for the volume to be purchased by Jiangxi Tiandi Yihao Beverage during the Term. The exact volume is to be set out in the purchase orders to be entered between Shaanxi Haisheng and Jiangxi Tiandi Yihao Beverage from time to time.
- Purchase price:** The purchase price will be calculated based on (i) a unit price of RMB8,102 per tonne (tax and packaging and shipping charges inclusive) for the initial 470 tonnes; and (ii) a unit price of RMB8,120 per tonne (tax and packaging and shipping charges inclusive) for the following 500 tonnes.
- Payment:** Jiangxi Tiandi Yihao Beverage shall pay the purchase price in respect of the products to be purchased from Shaanxi Haisheng by way of telegraphic transfer.
- Payment terms:** 3 months after the date of the relevant invoice issued.
- Conditions precedent:** The 2021 Framework Agreement II is conditional on the approval of the Independent Shareholders' at the Extraordinary General Meeting and Shaanxi Haisheng's compliance with the requirements under the Listing Rules and applicable relevant regulations. These conditions precedent cannot be waived.

LETTER FROM THE BOARD

HISTORICAL TRANSACTION AMOUNTS

Under the 2020 Framework Agreement, Tiandi Yihao Beverage agreed to purchase apple juice concentrates from Shaanxi Haisheng and Shaanxi Haisheng agreed to sell apple juice concentrates to Tiandi Yihao Beverage. For the financial years ended 31 December 2020, the actual transaction amount of apple juice concentrates in respect of the continuing connected transactions under the 2020 Framework Agreement was RMB11,627,000 and the average unit price per tonne of apple juice concentrates was RMB7,995.71.

The unit prices per tonne of the apple juice concentrates under the 2021 Framework Agreements are in line with those under the 2020 Framework Agreement which are not more than RMB8,300, while taking into account the fluctuation and adjustment of the prevailing market price of these products.

PRICING BASIS

Pursuant to the management policy for connected transactions adopted and implemented by the Company (the “**Management Policy**”), the market prices of comparable Independent Third Parties shall be considered as a reference in determining the pricing for connected transactions, unless a price is set by the government or where there is a government-guided price. Since there is no price set by the government or government-guided price in respect of products to be supplied by Shaanxi Haisheng to Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage under the 2021 Framework Agreements, the terms of the sale of apple juice concentrates to Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage by Shaanxi Haisheng have been arrived at after arm’s length negotiations between the Company and Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage and with reference to the prevailing market price of similar products of comparable suppliers of these products.

Potential customers, such as Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage, normally launch public bidding processes for the purchase of products by inviting tenders from various suppliers. According to these bidding procedures, the lowest tender price of the first round of bidding will be disclosed as the base price for the suppliers involved. In addition, the Company has also taken into account the tender prices by other suppliers in at least five other bidding processes for transactions involving other customers for the provision of similar products. As such, the prevailing market prices of similar products of comparable suppliers obtained through participating such bidding processes are considered as a reference for the Company to determine the unit prices of apple juice concentrates under the 2021 Framework Agreements and they are fair and reasonable and are no less favourable to the Company than those offered to customers that are Independent Third Parties.

Where no price is set by the government or there is no government-guided price, the Company will determine the price of apple juice concentrates based on the prevailing market price subject to such adjustment to reflect a price set on the basis of cost plus an expected percentage of gross profit margin where (i) such cost relates to the production cost of the apple juice concentrates which comprises actual raw material purchase price, fruit consumption ratio, relevant factory costs, fuelling costs, depreciation expenses and financial costs, and (ii) the actual mark-up percentage shall not be less than 5% and can be flexibly

LETTER FROM THE BOARD

adjusted with reference to the prevailing market prices of similar products of comparable suppliers and the total quantity of purchase orders entered and/or estimated to be entered into with the customers and subject to the review and approval of the vice president of the Group.

The unit prices of the apple juice concentrates under the 2021 Framework Agreements include tax and packaging and shipping charges. The difference of the unit price of the apple juice concentrates between the 2021 Framework Agreement I and the 2021 Framework Agreement II is mainly due to the different shipping charges. Under the 2021 Framework Agreement I, the apple juice concentrates to be supplied by Shaanxi Haisheng to Tiandi Yihao Beverage will be delivered from Qian County in Xianyang City, Shaanxi Province, where a factory of the Company is located, to Jiangmen City, Guangdong Province, where the factory designated by Tiandi Yihao Beverage is located, with the shipping charges calculated based on distance at RMB560 per tonne. Under the 2021 Framework Agreement II, the apple juice concentrates to be supplied by Shaanxi Haisheng to Jiangxi Tiandi Yihao Beverage will be delivered from the same factory of the Company located in Qian County in Xianyang City, Shaanxi Province, to Jiujiang City, Jiangxi Province, where the factory designated by Jiangxi Tiandi Yihao Beverage is located, with the shipping charges calculated based on distance at RMB450 per tonne.

In view of the above and after taking into account the steps taken by the Company in determining the price of the apple juice concentrates under the 2021 Framework Agreements in accordance with, and in the manners set out in the section headed “Internal Control Policy” in this circular, the Board considers the unit prices contemplated under the 2021 Framework Agreements, after the adjustments, are on normal commercial term, fair and reasonable.

PROPOSED ANNUAL CAP

The maximum transaction amount payable by Tiandi Yihao Beverage to Shaanxi Haisheng under the 2021 Framework Agreement I for the year ended 31 December 2021 is RMB35,510,239 and the maximum transaction amount payable by Jiangxi Tiandi Yihao Beverage to Shaanxi Haisheng under the 2021 Framework Agreement II for the year ended 31 December 2021 is RMB9,049,400. Accordingly, the aggregate maximum transaction amount payable by Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage to Shaanxi Haisheng under the 2021 Framework Agreements for the year ended 31 December 2021 is RMB44,559,639.

The proposed Annual Cap is determined in accordance with:

- the historical transaction amount for the purchase of goods by Tiandi Yihao Beverage (and/or its subsidiaries) from the Company (and/or its subsidiaries);
- the estimated maximum total volume of products to be purchased by Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage from Shaanxi Haisheng;

LETTER FROM THE BOARD

- the adjustment to reflect the 15% fluctuation allowed in the relevant volume to be purchased by Tiandi Yihao Beverage during the Term at the higher unit price under the 2021 Framework Agreement I;
- the adjustment to reflect the 15% fluctuation allowed in the relevant volume to be purchased by Jiangxi Tiandi Yihao Beverage during the Term at the higher unit price under the 2021 Framework Agreement II;
- the sale prices reached in recent tenders for apple juice concentrates transactions of a few of the current and potential customers of the Group;
- the prevailing market prices of comparable suppliers of similar products; and
- the estimated fluctuation in the average market price of similar products.

The actual transaction volume for apple juice concentrates and transaction amount under the 2020 Framework Agreement were adversely affected by the Covid-19 pandemic together with Sino-US trade frictions throughout 2020. There were different degrees of delay in the resumption of work and production and a shortage of transportation capacity which made it difficult to ship and fulfil the orders from customers. Since the impact of the Covid-19 pandemic has been greatly reduced for PRC domestic markets, it is expected that its negative influence on the market will be relatively controllable and the transaction amount with Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage under the 2021 Framework Agreements will return to normal levels.

If it is anticipated that the proposed Annual Cap is to be exceeded and if the Group is to continue to carry out the transactions, the Group will take all appropriate steps in advance to comply with the relevant requirements under the Listing Rules, including seeking to revise the proposed Annual Cap.

INTERNAL CONTROL POLICY

The Company has adopted the following internal control measures and policies to ensure the terms of the 2021 Framework Agreements are fair and reasonable, or no less favourable than terms available to or from the Independent Third Parties:

- (a) as stated under the section headed “Pricing basis”, since there is no price set by the government or government-guided price for the Continuing Connected Transactions and in order to ensure the pricing mechanism of its connected transactions are fair and reasonable, the market prices of comparable Independent Third Parties shall be considered as a reference in determining the pricing for connected transactions;
- (b) the Company has formulated a pricing formula for apple juice concentrates based on the cost-plus basis set out below:

unit price = unit costs x (1 + (expected mark-up percentage)) + relevant shipping charges

LETTER FROM THE BOARD

The unit costs comprise the costs incurred in relation to the provision of apple juice concentrates, including actual raw material purchase price, fruit consumption ratio, fuelling costs, depreciation expenses and financial costs, and tax. The unit costs so calculated shall be submitted to the production management center for review and approval.

The actual mark-up percentage shall be determined with reference to the prevailing market prices of similar products of comparable suppliers and the total quantity of purchase orders entered and/or estimated to be entered into with the customers. Such mark-up percentage for transactions that are charged on the cost-plus basis shall not be less than 5%. The shipping charges shall be calculated according to the actual needs of the customer including the location of the factory designated by the customer. The unit price so calculated shall be submitted to the vice president of the Group for review and approval.

If the trading price relating to any connected transaction involving apple juice concentrates of the Company is different from the one calculated based on the pricing formula, at least one of the Company's independent non-executive director's approval is required for such transactions;

- (c) for the purpose of ensuring that the pricing for apple juice concentrates is fair and reasonable, as the Company is a leading supplier of apple juice concentrates in the global market, the Company compares the prices of comparable suppliers of similar products in both the PRC market and the international market, and takes into account the sale prices reached in recent tenders for apple juice concentrates with some of the Group's current and potential customers, which the Company uses as reference prices in determining the price for connected transactions contemplated under the 2021 Framework Agreements; and
- (d) for the purpose of ensuring that the transactions under the 2021 Framework Agreements will also be conducted on normal commercial terms, and on terms no less favourable than terms available from Independent Third Parties, the Company has, prior to the entering of the 2021 Framework Agreements, taken into consideration its tendering policy and procedures as described below:
 - (i) after understanding the requirements of the Group's customers in respect of the provision of apple juice concentrates, quotation approval application forms which lists out a complete set of detailed conditions for each intended apple juice concentrates procurement contract with potential customers are prepared by the sales department of the Group (the "**Sales Department**");
 - (ii) the consolidated quotation approval application forms are submitted and reviewed by the Sales Department, the logistics department, production management center, manager of processing division and the vice president of the Group;

LETTER FROM THE BOARD

- (iii) the Sales Department then assesses the quotation approval application forms and other terms and conditions of the quotations to ensure they meet the requirements of the Group's customers. The Sales Department also compares the quotations by making reference to the quotes previously submitted for at least two similar transactions and prices of similar products of comparable suppliers to ensure the sales price for connected transactions is determined on normal commercial terms and not more favourable than that offered to Independent Third Parties customers;
- (iv) the recommended quotation is then submitted to the relevant authorised personnel, namely Mr. Qu Binglian, an executive Director of the Company and also a senior manager of the Group, who is responsible for juice concentrates business, for approval; and
- (v) the finance department of the Group (the "**Finance Department**") and the Sales Department regularly review and monitor the connected transaction amounts and the records of the sales price and ensure that such information is available for review by the Board as and when required.

For the purposes of monitoring the Annual Cap, Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage will, according to their own production schedules, provide their monthly procurement plan to the Company one month in advance for the Company to regularly assess the actual raw material demand and the utilisation rate of the Annual Cap. The Sales Department will input the details of the continuing connected transactions into the accounting system of the Company once the relevant purchase agreement is signed. The Finance Department will regularly review and monitor the connected transaction amounts under the 2021 Framework Agreements and the Sales Department will check and record the sales amount and price of individual purchase order and make sure the Annual Cap will not be exceeded. Such information will then be provided to the independent non-executive Directors for review as and when required. This enables us to ensure that the Annual Cap under the 2021 Framework Agreements would not be exceeded.

BOARD'S APPROVAL

The Board has approved the 2021 Framework Agreements and Annual Cap and none of the Directors has any material interest in the transactions contemplated thereunder.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

The Group is principally engaged in the manufacture and sale of fruit juice concentrates and related products and plantation and sale of apples and other fruits and production and sale of feed. Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage are principally engaged in the research and development, manufacturing and sales of vinegar beverage and related products.

LETTER FROM THE BOARD

The supply of apple juice concentrates is the ordinary course of business of Shaanxi Haisheng. Shaanxi Haisheng has been supplying fruit juice concentrates to Tiandi Yihao Beverage since 2012. The Company is one of the largest global fruit processing manufacturers and the quality of the Group's fruit juice concentrates is highly recognised by Tiandi Yihao Beverage and its subsidiaries. As such, in the interests of the Company, the management of the Company considers that the supply of fruit juice concentrates by Shaanxi Haisheng to Tiandi Yihao Beverage and its subsidiary Jiangxi Tiandi Yihao Beverage is expected to bring synergies to the parties in that such continuing relationship will provide a stable source of revenue to the Group as well as to preserve a stable supply of high-quality fruit juice concentrates to Tiandi Yihao Beverage and/or its subsidiaries. As Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage are located in different regions, the Company considers that it is more convenient in terms of the management of the transactions and logistic arrangement for the Company to enter into separate agreements with them.

The terms of the 2021 Framework Agreements were determined with reference to prevailing market price for the supply of such products and the terms and gross profit margins of the other on-going transactions carried out between the Group and its other customers. The Directors are of the view that the 2021 Framework Agreements form an integral part of the ordinary and usual course of business of the Group and are conducted on normal commercial terms determined on an arm's length basis. The Directors consider that the terms of the 2021 Framework Agreements, including the Annual Cap, are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

EXTRAORDINARY GENERAL MEETING

The Company will convene the Extraordinary General Meeting for the Independent Shareholders to consider and, if thought fit, approve the Continuing Connected Transactions and the Annual Cap.

A proxy form for use at the Extraordinary General Meeting is enclosed herewith. Whether or not you are able to attend the Extraordinary General Meeting, you are requested to complete the proxy form and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Extraordinary General Meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the Extraordinary General Meeting or any adjourned meeting should you so wish.

Pursuant to 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting shall be taken by poll. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

Any Shareholder with a material interest in the transaction and its associates will abstain from voting at the Extraordinary General Meeting. Therefore, Hong Kong Tiandi, as a connected person being interested in 17.68% of the issued share capital of the Company which comprises 227,996,000 Shares at the Latest Practicable Date and its associates, shall abstain from voting at the Extraordinary General Meeting.

LETTER FROM THE BOARD

RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee as set out on pages 15 to 16 of this circular which contains its recommendation to the Independent Shareholders on the terms of the 2021 Framework Agreements and the Annual Cap. Your attention is also drawn to the letter of advice received from Guoyuan Capital, the independent financial adviser to the Independent Board Committee and the Independent Shareholders, as set out on pages 17 to 30 of this circular which contains, among others, its advice to the Independent Board Committee and the Independent Shareholders in relation to the terms of the 2021 Framework Agreements and the Annual Cap, the casting of votes for or against the resolution approving the 2021 Framework Agreements and the Annual Cap by poll at the Extraordinary General Meeting as well as the principal factors and reasons considered by it in concluding its advice. Your attention is also drawn to the additional information set out in the appendix to this circular.

The Directors consider that the 2021 Framework Agreements and the Annual Cap are in the interests of the Shareholders and the Company as a whole and they recommend the Shareholders to vote in favour of all the resolution approving the 2021 Framework Agreements and the Annual Cap at the Extraordinary General Meeting.

Yours faithfully,
For and on behalf of the Board of
China Haisheng Juice Holdings Co., Ltd.
Mr. Gao Liang
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of a letter from the Independent Board Committee to the Independent Shareholders in relation to the Continuing Connected Transactions and the Annual Cap for inclusion in this circular:

China Haisheng Juice Holdings Co., Ltd.

中國海升果汁控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0359)

23 July 2021

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS RENEWAL OF FRAMEWORK AGREEMENT

We refer to the circular of the Company dated 23 July 2021 (the “**Circular**”) to the Shareholders, of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

We have been appointed by the Board as members of the Independent Board Committee and to advise the Independent Shareholders as to (i) whether the terms of the Continuing Connected Transactions and the Annual Cap are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the transactions contemplated under the 2021 Framework Agreements are on normal commercial terms or better and in the ordinary and usual course of business of the Company; and (iii) whether the Continuing Connected Transactions and the Annual Cap are in the interests of the Company and the Shareholders as a whole. Guoyuan Capital has been appointed to advise the Independent Board Committee and the Independent Shareholders in these respects. Details of its advice, together with the principal factors and reasons taken into consideration in arriving at such advice, are set out on pages 17 to 30 of the Circular.

Your attention is drawn to the letter from the Board set out on pages 4 to 14 of the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the advice of Guoyuan Capital, we are of the opinion that (i) the terms of the Continuing Connected Transaction and the Annual Cap are fair and reasonable so far as the Independent Shareholders are concerned; (ii) the transactions contemplated under the 2021 Framework Agreements are on normal commercial terms or better and in the ordinary and usual course of business of the Company; and (iii) the Continuing Connected Transactions and the Annual Cap are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the Extraordinary General Meeting to approve the Continuing Connected Transactions and the Annual Cap.

Yours faithfully,
For and on behalf of
the Independent Board Committee
Mr. Zhao Boxiang
Independent non-executive Directors

Ms. Huang Liqiong

Mr. Liu Zhongli

LETTER FROM GUOYUAN CAPITAL



17/F, Three Exchange Square
8 Connaught Place
Central, Hong Kong

23 July 2021

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS RENEWAL OF FRAMEWORK AGREEMENT

INTRODUCTION

We refer to our engagement to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the 2021 Framework Agreement I and the 2021 Framework Agreement II and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 23 July 2021 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

As the 2020 Framework Agreement entered between Shaanxi Haisheng and Tiandi Yihao Beverage expired on 31 December 2020, on 22 June 2021, Shaanxi Haisheng, a non-wholly owned subsidiary of the Company, entered into the 2021 Framework Agreement I and the 2021 Framework Agreement II with Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage, a direct wholly-owned subsidiary of Tiandi Yihao Beverage, respectively pursuant to which Shaanxi Haisheng agreed to supply apple juice concentrates to Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage, respectively for a term commencing from 1 January 2021 and ending on 31 December 2021. The Company did not enter and will not enter into any transaction with Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage as contemplated under the 2021 Framework Agreement I and the 2021 Framework Agreement II, respectively during the period from 1 January 2021 up to the date of the extraordinary general meeting of the Company (the “**EGM**”).

As at the Latest Practicable Date, Hong Kong Tiandi, an indirectly wholly-owned subsidiary of Tiandi Yihao Beverage, is interested in 17.68% of the issued share capital of the Company. Jiangxi Tiandi Yihao Beverage is a direct wholly owned subsidiary of Tiandi Yihao Beverage. Accordingly, Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage are connected persons of the Company. The 2021 Framework Agreements and the transactions contemplated thereunder constitute continuing connected transactions (“**CCT**”) of the Company under Chapter 14A of the Listing Rules. Since the 2021 Framework Agreement I and the 2021 Framework Agreement II are of a similar nature and have been entered into by

LETTER FROM GUOYUAN CAPITAL

the Group with parties who are connected with one another within a 12-month period, the transactions contemplated under the 2021 Framework Agreements shall be aggregated as if they were one transaction pursuant to Rule 14A.81 of the Listing Rules.

As the proposed Annual Cap under the 2021 Framework Agreements represent more than 5% of each of the applicable percentage ratios under the Listing Rules and the aggregate annual consideration payable by the Company under the 2021 Framework Agreements will exceed HK\$10,000,000, the CCT and the proposed Annual Cap is subject to reporting, announcement, circular, annual review and Independent Shareholders' approval under Chapter 14A of the Listing Rules.

Hong Kong Tiandi and its associates shall abstain from voting at the EGM in respect of the resolutions approving the CCT. Save for Hong Kong Tiandi, to the best knowledge, information and belief of the Directors, no other Shareholders or any of their respective associates have a material interest in the 2021 Framework Agreements and the transactions contemplated thereunder, and accordingly are required to abstain from voting at the EGM.

INDEPENDENCE DECLARATION

As at the Latest Practicable Date, we were not aware of any relationships or interests between Guoyuan Capital and the Company, Shaanxi Haisheng, Tiandi Yihao Beverage and Hong Kong Tiandi and/or any of their respective substantial shareholders, directors or chief executive, or any of their respective associates. Save for (i) this appointment as the Independent Financial Adviser in respect of the CCT and (ii) the appointment as the Independent Financial Adviser in respect of the renewal of the continuing connected transactions as set out in the circular of the Company dated 14 February 2020, there were no other engagements between Guoyuan Capital and the Company, or any other parties to the 2021 Framework Agreements, in the last two years immediately preceding the Latest Practicable Date. Apart from the normal professional fees payable to us by the Company in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company. Accordingly, Guoyuan Capital is independent as defined under Rule 13.84 of the Listing Rules to act as an Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in connection with the CCT.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have reviewed, among other things, (i) the 2020 Framework Agreement; (ii) the 2021 Framework Agreements; (iii) the annual report of the Company for the year ended 31 December 2020; (iv) the invoices and purchase agreements, on sampling basis, for the supplying of apple juice concentrates by Shaanxi Haisheng to independent third party customers, Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage during the years ended 31 December 2020; (v) the invoices and purchase agreements, on sampling basis, for the supplying of apple juice concentrates by Shaanxi Haisheng to independent

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third-party customers during the five months ended 31 May 2021; and (vi) the management accounts on the sales to Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage for the year ended 31 December 2020 and the five months ended 31 May 2021.

We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there are no undisclosed private agreements/arrangements or implied understanding with anyone concerning the 2021 Framework Agreements. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that the information contained in the 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 in the Circular or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided by the Directors and the representatives of the Company, nor have we conducted any independent in-depth investigation into the business and affairs of the Company, Shaanxi Haisheng, Tiandi Yihao Beverage, Jiangxi Tiandi Yihao Beverage and Hong Kong Tiande or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the entering into of the 2021 Framework Agreements. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

LETTER FROM GUOYUAN CAPITAL

THE CCT

Principal factors and reasons considered

In arriving at our opinion in respect of the 2021 Framework Agreements and the transactions contemplated thereunder, we have taken into consideration the following principal factors and reasons:

1. Background of and reasons for entering into the CCT

The Group is principally engaged in the manufacture and sale of fruit juice concentrates and related products, plantation and sale of apples and other fruits and production and sale of feed. Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage are principally engaged in research and development, manufacturing and sales of vinegar beverage and related products. Shaanxi Haisheng is principally engaged in supply of fruit juice concentrates. Shaanxi Haisheng has been supplying fruit juice concentrates to Tiandi Yihao Beverage since 2012.

On 22 June 2021, Shaanxi Haisheng entered the 2021 Framework Agreement I and the 2021 Framework Agreement II with Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage, a direct wholly-owned subsidiary of Tiandi Yihao Beverage, respectively pursuant to which Shaanxi Haisheng will supply apple juice concentrates to Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage for a term commencing from 1 January 2021 and ending on 31 December 2021. As it is expected that Shaanxi Haisheng will continue to supply fruit juice concentrates to Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage, Shaanxi Haisheng entered into the 2021 Framework Agreements with Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage, which is conditional upon the passing of the resolution by the Independent Shareholders at the EGM.

The supply of apple juice concentrates is the ordinary course of business of Shaanxi Haisheng. Shaanxi Haisheng had been supplying fruit juice concentrates to Tiandi Yihao Beverage since 2012, long before Tiandi Yihao Beverage became a connected person of the Company on 30 March 2016. As advised by the Company, the Group is one of the largest global fruit processing manufacturers and the quality of the Group's fruit juice concentrates is highly recognized by Tiandi Yihao Beverage and its subsidiaries. Furthermore, as advised by the Company, it is in the interest of the Company, the management of the Company considers that the supply of fruit juice concentrates by Shaanxi Haisheng to Tiandi Yihao Beverage and its subsidiary Jiangxi Tiandi Yihao Beverage is expected to bring synergies to the parties in that such continuing relationship will provide a stable source of revenue to the Group as well as to preserve a stable supply of high quality fruit juice concentrates to Tiandi Yihao Beverage and/or its subsidiaries. As Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage are located in different regions, the Company considers that it is more convenient in terms of the management of the transactions and logistic arrangement for the Company to enter into separate agreements with them.

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Having considered (i) the business relationship established between Shaanxi Haisheng and Tiandi Yihao Beverage since 2012; (ii) the supply of fruit juice concentrates is in the ordinary course of business of Shaanxi Haisheng; and (iii) the stable revenue stream from the sale of fruit juice concentrates to Tiandi Yihao Beverage and/or its subsidiaries, we concur with the Directors that the entering into of the 2021 Framework Agreements and the transactions contemplated thereunder are in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

2. Principal terms of the 2021 Framework Agreements

THE 2021 FRAMEWORK AGREEMENT I

The principal terms of the 2021 Framework Agreement I are as follows:

- Date:** 22 June 2021
- Term:** 1 January 2021 to 31 December 2021 (both dates inclusive)
- Parties:** (a) Shaanxi Haisheng (as supplier); and
(b) Tiandi Yihao Beverage (as customer).
- Products involved:** Tiandi Yihao Beverage agreed to purchase from Shaanxi Haisheng, and Shaanxi Haisheng agreed to sell to Tiandi Yihao, apple juice concentrates.

The estimated total volume of apple juice concentrates to be purchased by Tiandi Yihao Beverage during the Term will be 3,727 tonnes.

A prescribed fluctuation range of 15% is allowed for the volume to be purchased by Tiandi Yihao Beverage during the Term. The exact volume is to be set out in the purchase orders to be entered between Shaanxi Haisheng and Tiandi Yihao Beverage from time to time.

The estimated total volume of 3,727 tonnes apple juice concentrates is neither a committed purchase volume by Tiandi Yihao Beverage nor a committed supply volume by the Company under the 2021 Framework Agreement I. As such, there will be no penalty or compensation if Tiandi Yihao Beverage fails to purchase or the Company fails to supply 3,727 tonnes of apple juice concentrates during the Term.

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- Purchase price:** The purchase price will be calculated based on, (i) a unit price of RMB8,212 per tonne (tax and packaging and shipping charges inclusive) for the initial 727 tonnes; and (ii) a unit price of RMB8,300 per tonne (tax and packaging and shipping charges inclusive) for the following 3,000 tonnes.
- Payment:** Tiandi Yihao Beverage shall pay the purchase price in respect of the products to be purchased from Shaanxi Haisheng by way of banker's acceptance.
- Payment terms:** 3 months after the date of the relevant invoice issued.
- Conditions precedent:** The 2021 Framework Agreement I is conditional on the approval of the Independent Shareholders' at the EGM and Shaanxi Haisheng's compliance with the requirements under the Listing Rules and applicable relevant regulations. These conditions precedent cannot be waived.

THE 2021 FRAMEWORK AGREEMENT II

The principal terms of the 2021 Framework Agreement II are as follows:

- Date:** 22 June 2021
- Term:** 1 January 2021 to 31 December 2021 (both dates inclusive)
- Parties:** (a) Shaanxi Haisheng (as supplier); and
(b) Jiangxi Tiandi Yihao Beverage (as customer).
- Products involved:** Jiangxi Tiandi Yihao Beverage agreed to purchase from Shaanxi Haisheng, and Shaanxi Haisheng agreed to sell to Jiangxi Tiandi Yihao Beverage, apple juice concentrates.

The estimated total volume of apple juice concentrates to be purchased by Jiangxi Tiandi Yihao Beverage during the Term will be 970 tonnes.

A prescribed fluctuation range of 15% is allowed for the volume to be purchased by Jiangxi Tiandi Yihao Beverage during the Term. The exact volume is to be set out in the purchase orders to be entered between Shaanxi Haisheng and Jiangxi Tiandi Yihao Beverage from time to time.

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The estimated total volume of 970 tonnes apple juice concentrates is neither a committed purchase volume by Jiangxi Tiandi Yihao Beverage nor a committed supply volume by the Company under the 2021 Framework Agreement II. As such, there will be no penalty or compensation if Jiangxi Tiandi Yihao Beverage fails to purchase or the Company fails to supply 970 tonnes of apple juice concentrates during the Term.

- Purchase price:** The purchase price will be calculated based on, (i) a unit price of RMB8,102 per tonne (tax and packaging and shipping charges inclusive) for the initial 470 tonnes; and (ii) a unit price of RMB8,120 per tonne (tax and packaging and shipping charges inclusive) for the following 500 tonnes.
- Payment:** Jiangxi Tiandi Yihao Beverage shall pay the purchase price in respect of the products to be purchased from Shaanxi Haisheng by way of telegraphic transfer.
- Payment terms:** 3 months after the date of the relevant invoice issued.
- Conditions precedent:** The 2021 Framework Agreement II is conditional on the approval of the Independent Shareholders' at the EGM and Shaanxi Haisheng's compliance with the requirements under the Listing Rules and applicable relevant regulations. These conditions precedent cannot be waived.

The unit prices under the 2021 Framework Agreements include shipping charges and tax.

In assessing the fairness and reasonableness of the terms of the 2021 Framework Agreements, we have reviewed and compared the terms of the 2020 Framework Agreement and the 2021 Framework Agreements, and noted that save for the Annual Cap and the payment terms, the terms of the said agreements are substantially the same.

In addition, we have discussed with the Company and were advised that the price of apple juice concentrates to be supplied by Shaanxi Haisheng to Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage under the 2021 Framework Agreements were determined based on the prevailing market price and subject to such adjustment to reflect a price set on the basis of cost plus an expected percentage of gross profit margin and will not be more favourable than that offered by Shaanxi Haisheng to independent third party customers. The calculation of the production cost of the apple juice concentrates comprises of the actual raw material purchase price, fruit consumption ratio, relevant factory costs, fueling costs, depreciation expenses and

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financial costs. The purchase price of apple juice concentrates to be supplied by Shaanxi Haisheng to Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage have been set out under the 2021 Framework Agreements.

In addition, we have obtained invoices and purchase agreements, on sampling basis, for the supplying of apple juice concentrates by Shaanxi Haisheng to independent third-party customers, Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage during the year ended 31 December 2020 and by Shaanxi Haisheng to independent third-party customers during the five months ended 31 May 2021. Upon comparison, we noted that the price of apple juice concentrate offered to Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage under the 2021 Framework Agreements was no more favorable than those offered to independent third-party customers during the year ended 31 December 2020 and five months ended 31 May 2021.

The payment terms for the supply of apple juice concentrates have been set out in each of the 2021 Framework Agreement I and 2021 Framework Agreement II. We have also obtained agreements entered into between Shaanxi Haisheng and its independent third-party customers, on a sampling basis, and noted that the payment terms for the purchase price of apple juice concentrates was generally not more than 3 months after the date of the relevant invoice issued. In this regard, we are of the view that the payment terms of the 2021 Framework Agreements are similar to that offered to independent third-party customers by Shaanxi Haisheng.

Based on our review of a total of 57 invoices and relevant purchase agreement by Shaanxi Haisheng to independent third-party customers for the year ended 31 December 2020 and five months ended 31 May 2021, respectively, taking account into (i) the pricing basis of the Group on apple juice concentrates; (ii) the reasons for entering into of the 2021 Framework Agreements as set out in this letter above; and (iii) the price of fruit juice concentrates will be determined on normal commercial terms and will be no more favorable than that offered by Shaanxi Haisheng to independent third party customers, and having considered that (iv) the terms of the 2021 Framework Agreements were negotiated based on normal commercial terms; (v) the terms of the 2020 Framework Agreement and 2021 Framework Agreements are substantially the same; (vi) the prices payable by Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage for apple juice concentrates shall be on normal commercial terms and not more favourable than those offered by Shaanxi Haisheng to independent third party customers; (vii) the price of apple juice concentrate offered to Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage under the 2021 Framework Agreements was no more favorable than those offered to independent third party customers during the year ended 31 December 2020 and five months ended 31 May 2021; and (viii) the payment terms of the 2021 Framework Agreements are similar to that offered by Shaanxi Haisheng to independent third party customers during the year ended 31 December 2020 and five months ended 31 May 2021, we consider that the unit purchase price and the terms contemplated under the 2021 Framework Agreements are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

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3. *The Proposed Annual Cap*

The table below sets forth (i) the proposed Annual Cap under the 2021 Framework Agreements; (ii) the estimated total amount of apple juice concentrates to be supplied; and (iii) the estimated price per tonne of apple juice concentrates for the year ending 31 December 2021.

	For the year ending 31 December 2021
Maximum Annual Cap – 2021 Framework Agreement I	RMB35,510,239
Maximum Annual Cap – 2021 Framework Agreement II	RMB9,049,400
Proposed maximum total Annual Cap	RMB44,559,639
Estimated maximum total volume of apple juice concentrates to be supplied	5,401.55 tonnes
Estimated maximum average price per tonne of apple juice concentrates	RMB8,249.42

The table below sets forth (i) the historical annual caps under the 2020 Framework Agreement for the year ended 31 December 2020; and (ii) the actual transaction amounts for the years ended 31 December 2020 together with the utilization rate of the historical annual caps.

	For the year ended 31 December 2020 <i>RMB million</i>
Historical annual caps	49.80
Actual transaction amount of apple juice concentrates	11.627
Utilization rate	23.3%

According to the Board Letter, the proposed Annual Cap was determined by the Directors with reference to (i) the historical transaction amount for the purchase of goods by Tiandi Yihao Beverage (and/or its subsidiaries) from the Company (and/or its subsidiaries); (ii) the estimated maximum total volume of products to be purchased by Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage from Shaanxi Haisheng; (iii) the adjustment to reflect the 15% fluctuation allowed in the relevant volume to be purchased by Tiandi Yihao Beverage during the Term at the higher unit price under the 2021 Framework Agreement I; (iv) the adjustment to reflect the 15% fluctuation allowed in the relevant volume to be purchased by Jiangxi Tiandi Yihao Beverage during the Term at the higher unit price under the 2021 Framework Agreement II; (v) the sale prices reached in recent tenders for apple juice concentrates transactions of a few of the current and potential customers of the Group; (vi) the prevailing market prices of comparable suppliers of similar products; and (vii) the estimated fluctuation in the average market price of similar products.

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As set out in the table above, the historical transaction amount under the 2020 Framework Agreement for the year ended 31 December 2020 amounted to approximately RMB11.6 million representing a utilization rate of approximately 23.3% respectively. We have enquired the Company on the reasons for the unutilized annual caps for the year ended 31 December 2020, and were advised that the volume of fruit juice concentrates supplied was in accordance to the beverage production of Tiandi Yihao Beverage which in-turn has been affected by the outbreak of novel coronavirus (COVID-19), therefore reducing the final volume of fruit juice concentrates supplied in the year 2020. The proposed 2021 Annual Cap of approximately RMB44.6 million is lower than the historical 2020 annual cap of RMB49.8 million because Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage has reduced its estimation in the maximum purchase volume of apple juice concentrate under the 2021 Framework Agreements.

In order to assess the fairness and reasonableness of the proposed maximum total Annual Cap, we have obtained from the Company the calculation of the proposed Annual Cap, and discussed with the Company regarding (i) the estimated maximum total volume of apple juice concentrates to be supplied to Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage for the year ending 31 December 2021; and (ii) the estimated maximum average price per tonne of the apple juice concentrates for each of the year ending 31 December 2021.

During our review of the calculation of the proposed Annual Cap, we noted that (i) the expected maximum total volume of apple juice concentrates to be supplied to Tiandi Yihao Beverage are approximately 5,401.55 tonnes; and (ii) the estimated maximum average price per tonne of the apple juice concentrates is approximately RMB8,249.82 for the year ending 31 December 2021.

In assess the fairness and reasonableness of the estimated maximum total volume of apple juice concentrates to be supplied for the year ending 31 December 2021, we have obtained and were given to understand from the Company the calculation of the estimated maximum total volume of apple juice concentrate to be supplied to Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage for the year ending 31 December 2021 is determined with reference to (i) the historical amount of apple juice concentrates supplied to Tiandi Yihao Beverage for the years ended 31 December 2018, 2019 and 2020; and (ii) the expected demand from Tiandi Yihao Beverage. We have further reviewed the historical transacted volume of apple juice concentrate supplied to Tiandi Yihao Beverage for the year ended 31 December 2020 and noted that the total volume of apple juice concentrate supplied were approximately 1,643.13 tonnes, which is significantly lower than the estimated maximum total volume of apple juice concentrate to be supplied to Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage for the year ending 31 December 2021 of approximately 5,401.55 tonnes. The total volume of apple juice concentrate supplied to Tiandi Yihao Beverage for the year ended 31 December 2020 decreased as a result of the outbreak of the novel coronavirus which affected the beverage production of Tiandi Yihao Beverage. In view of the historical transacted volume of fruit juice concentrates supplied to Tiandi Yihao Beverage were approximately 5,088.95 tonnes and 5,056.15 tonnes for the years ended 30 December 2018 and 2019 respectively, and considering the that the PRC economy is

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recovering from the impact of coronavirus, we are of the view that the estimated maximum total volume of apple juice concentrate to be supplied to Tiandi Yihao Beverage and Jianxi Tiandi Yihao Beverage ^{Note} of approximately 5,401.55 tonnes for the year ending 31 December 2021 is at a similar level as compared to the previous years and as such a reasonable estimated maximum total volume of apple juice concentrate to be supplied to Tiandi Yihao Beverage and Jianxi Tiandi Yihao Beverage for the year ending 31 December 2021.

In assessing the fairness and reasonableness of the estimated maximum average price per tonne of apple juice concentrates for the year ending 31 December 2021, we have performed an analysis on the estimated maximum average price per tonne of apple juice concentrates offered to Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage for the year ending 31 December 2021 amounting to RMB8,249.42 by comparing to the weighted average price per tonne of apple juice concentrate by Shaanxi Haisheng to independent third-party customers during five months ended 31 May 2021, amounting to approximately RMB8,186.66, as it represents the latest price of apple juice concentrate by Shaanxi Haisheng offered to independent third-party customers.

Considering that the estimated maximum average price per tonne of apple juice concentrates offered to Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage under the 2021 Framework Agreements for the year ending 31 December 2021 amounting to RMB8,249.42 is similar to the weighted average price per tonne of apple juice concentrate by Shaanxi Haisheng to independent third-party customers during the five months ended 31 May 2021 amounting to approximately RMB8,186.66, we consider that the pricing of apple juice concentrate offered to Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage for the year ending 31 December 2021 is reasonable, and was no more favourable than those offered to independent third-party customers during the five months ended 31 May 2021. We have also discussed with the Company for the fluctuations in the price of apple juice concentrates.

In this regard, we noted that for the apple juice concentrates that Shaanxi Haisheng supplied to Tiandi Yihao Beverage for the year ended 31 December 2020 having the average prices per tonne of apple juice concentrates were approximately RMB7,995.71, of which the average price per tonne of apple juice for the year 2020 is lower than the estimated maximum average price per tonne of apple juice concentrates for the year ending 31 December 2021 of approximately RMB8,249.82. We further enquired the Company the reason for the higher estimated maximum average price per tonne of apple juice concentrate for the year ending 31 December 2021, and were advised that the Company expects the packaging costs for steel drum to increase for the year ending 31 December 2021.

Note: The estimated total volume of apple juice concentrate to be supplied to Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage for the year ending 31 December 2021 is neither a committed purchase volume by Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage nor a committed supply volume by the Company, as such there will be no penalty or compensation if Tiandi Yihao Beverage fails to purchase or the Company fails to supply the estimated total volume of apple juice concentrate during the Term.

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As stated in the Board Letter, the estimated maximum average unit price of the apple juice concentrates under the 2021 Framework Agreements amounted to approximately RMB8,249.82 are generally in line with those under the 2020 Framework Agreement which are not more than RMB8,300, while taking into account the fluctuation and adjustment of the prevailing market price of these products.

In view of the foregoing, we are of the view that the proposed Annual Cap was determined by the Company under reasonable ground and due care, and that the proposed Annual Cap is justifiable, fair and reasonable so far as the Company and the Independent Shareholders are concerned.

However, the Independent Shareholders should note that the proposed Annual Cap relates to future events and do not represent a forecast of transaction amounts to be incurred as a result of the CCT. Consequently, we express no opinion as to how closely the actual transaction amounts of the CCT correspond with the proposed Annual Cap as discussed above.

4. Internal Control Measures for Continuing Connected Transactions

As stated in the Board Letter, the Company has adopted internal control measures and polices, including connected transaction management measures, sales quotations and pricing management measures to ensure that the continuing connected transactions are conducted in accordance with the executed agreements.

Before entering into a specific connected transaction agreement, the designated department(s) of the Group will review and assess whether the quotations and terms set out in the specific agreement are consistent with the executed framework agreement to ensure that the interests of the Shareholders as a whole are taken into account and protected. The Group has adopted 關聯交易管理辦法 (Connected Transaction Management Measure) to monitor the connected transactions. We have further enquired the finance department of the Company on how the Company to ensure that the proposed Annual Cap under the 2021 Framework Agreements would not be exceeded.

We are given to understand that (i) Tiandi Yihao Beverage and Jiangxi Tiandi Yihao Beverage will, according to its own production schedules, provide its monthly procurement plan to the Company one month in advance for the Company to regularly access the actual raw material demand and the utilisation rate of the annual cap; (ii) the sales department is responsible to input the details of the continuing connected transactions via 海升物流管理系统 (the accounting system of the Company) once the relevant purchase agreement is signed; (iii) the logistics department, the manufacturing department and the sales department to review and confirm the delivery amount; (iv) the sales department to update the accounting system if the actual delivery amount is different from the recorded amount; and (v) the finance department is responsible (a) to collect the transaction amounts of the continuing connected transactions from the accounting system of the Company and evaluate whether the total transaction amount exceeds the annual cap regularly; and (b) to report the status of the continuing connected transactions to the independent non-executive Directors as and when required.

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Taking into account the internal control measures set out in the Circular and the above-mentioned measure on the monitoring of the utilisation of the Annual Cap, we are of the view that appropriate measures thereof exist to monitor the conduct of the CCT and assist to safeguard the interests of the Independent Shareholders.

5. Reporting requirements and conditions of the CCT

Pursuant to Rules 14A.55 to 14A.59 of the Listing Rules, the CCT are subject to the following annual review requirements:

- (a) Each year, the independent non-executive Directors must review the CCT and confirm in the annual report and accounts of the Company that the CCT have been entered into:
 - (i) in the ordinary and usual course of business of the Group;
 - (ii) on normal commercial terms or better; and
 - (iii) in accordance with the 2021 Framework Agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole;
- (b) each year the auditors of the Company must provide a letter to the Board (with a copy provided to the Stock Exchange at least ten business days prior to the bulk printing of the Company's annual report) confirming whether anything has come to their attention that causes them to believe that the CCT:
 - (i) have not been approved by the Board;
 - (ii) were not, in all material respects, in accordance with the pricing policies of the Group (if applicable);
 - (iii) were not entered into, in accordance with the 2021 Framework Agreements governing the CCT; and
 - (iv) have exceeded the Annual Cap.
- (c) the Company must allow, and ensure that the relevant counterparties to the CCT allow, the Company's auditors sufficient access to their records for the purpose of the reporting on the CCT as set out in paragraph (b); and
- (d) the Company must promptly notify the Stock Exchange and publish an announcement if the independent non-executive Directors and/or auditors of the Company cannot confirm the matters as required.

LETTER FROM GUOYUAN CAPITAL

The Company confirms that they will strictly comply with the aforementioned annual review requirements under Rules 14A.55 to 14A.59 of the Listing Rules in respect of the CCT under the 2021 Framework Agreements. Taking into account the aforementioned reporting requirements attached to the CCT, in particular, (i) the restriction of the value of the CCT by way of the Annual Caps; and (ii) the on-going review by the independent non-executive Directors and auditors of the Company of the CCT, we are of the view that there exist appropriate measures to monitor the conduct of the CCT so as to ensure that the CCT contemplated under the 2021 Framework Agreements are on normal commercial terms, fair and reasonable and in the interests of the Group and the Shareholders as a whole, and thus, the interests of the Independent Shareholders is safeguarded.

OPINION

Having taken into account the above principal factors and reasons, we consider that the transactions contemplated under the 2021 Framework Agreements are on normal commercial terms or better and in the ordinary and usual course of business of the Group and the terms of the 2021 Framework Agreements are fair and reasonable as far as the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favor of the relevant resolution(s) at the EGM to approve the entering into of the 2021 Framework Agreements, and the transactions contemplated thereunder (including the proposed Annual Cap).

Yours faithfully,
For and on behalf of
Guoyuan Capital (Hong Kong) Limited
Andy Chan
Managing Director

Note: Mr. Andy Chan has been a responsible officer of Type 6 (advising on corporate finance) regulated activity under the SFO since 2006 and has participated in and completed various independent financial advisory transactions.

1. 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 enquires, 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.

2. DISCLOSURE OF INTERESTS

(a) The Directors' or chief executive's interests or short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are 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 or short positions which the Directors or the chief executive of the Company are taken or deemed to have under such provisions of the SFO), or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) contained in the Listing Rules were as follows:

Name of Director	Capacity	Number of Shares/ underlying Shares held	Approximate percentage of the issued share capital <i>(Note 3)</i>
Mr. Gao Liang	Interest of controlled corporation	459,061,238 <i>(Note 1)</i>	35.59%
	Interest of spouse	4,724,660 <i>(Note 2)</i>	0.37%
	Beneficial owner	<u>8,600,000</u>	<u>0.67%</u>
		<u>472,385,898</u>	<u>36.63%</u>

Notes:

- As at the Latest Practicable Date, the 459,061,238 Shares were held by Think Honour International Limited (“**Think Honour**”), the entire issued share capital of which was held by Mr. Gao Liang. Accordingly, Mr. Gao Liang was deemed to be interested in the 459,061,238 Shares held by Think Honour by virtue of the SFO.

2. As at the Latest Practicable Date, the 4,724,660 Shares were held by Ms. Xie Haiyan who is the spouse of Mr. Gao Liang. Accordingly, Mr. Gao Liang was deemed to be interested in the 4,724,660 Shares held by Ms. Xie Haiyan.
3. The percentage was compiled based on the total number of issued shares of the Company as at Latest Practicable Date (i.e. 1,289,788,000 ordinary shares).

Save as disclosed above, as at the Latest Practicable Date, to the knowledge of the Company, none of the Directors or chief executive of the Company had any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which the Directors or chief executive of the Company are taken or deemed to have under such provisions of the SFO) or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

As at the Latest Practicable Date, no Director is 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 issuer under the provisions of Divisions 2 and 3 of Part XV of the SFO.

(b) Substantial Shareholders' interests or short positions in the Shares and underlying Shares

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the persons or companies (not being a Director or chief executive of the Company) who had interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly deemed 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 meetings of the Company are as follows:

Name of substantial shareholder	Capacity	Number of Shares/ underlying Shares held	Approximate percentage of the issued share capital <i>(Note 4)</i>
Ms. Xie Haiyan	Interest of spouse	467,661,238 <i>(Note 1)</i>	36.26%
	Beneficial owner	4,724,660 <i>(Note 2)</i>	0.37%
		<u>472,385,898</u>	<u>36.63%</u>

Name of substantial shareholder	Capacity	Number of Shares/ underlying Shares held	Approximate percentage of the issued share capital <i>(Note 4)</i>
Think Honour	Beneficial owner	459,061,238 <i>(Note 2)</i>	35.59%
Tiandi Yihao Beverage	Interest of controlled corporation	227,996,000 <i>(Note 3)</i>	17.68%
Shenzhen Tiandi Win-Win Investment Management Co., Limited	Interest of controlled corporation	227,996,000 <i>(Note 3)</i>	17.68%
Tiandi Win-Win Investment Management Co., Limited	Beneficial owner	227,996,000 <i>(Note 3)</i>	17.68%

Notes:

- Ms. Xie Haiyan is the spouse of Mr. Gao Liang. Ms. Xie Haiyan is deemed to be interested in the 467,661,238 Shares in which Mr. Gao Liang is deemed to be interested by virtue of the SFO.
- The entire issued share capital of Think Honour was held by Mr. Gao Liang.
- Tiandi Win-Win Investment Management Co., Limited is a wholly-owned subsidiary of Shenzhen Tiandi Win-Win Investment Management Co., Limited which is a wholly-owned subsidiary of Tiandi Yihao Beverage Co., Ltd. Pursuant to the SFO, Shenzhen Tiandi Win-Win Investment Management Co., Limited and Tiandi Yihao Beverage Co., Ltd. are deemed to be interested in the 227,996,000 Shares held by Tiandi Win-Win Investment Management Co., Limited.
- The percentage was compiled based on the total number of issued shares of the Company as at the Latest Practicable Date (i.e. 1,289,788,000 ordinary shares).

Save as disclosed above, as at the Latest Practicable Date, to the knowledge of the Company, none of the persons or companies (not being a Director or chief executive of the Company) had or was deemed to have any interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly deemed 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 meetings of the Company or any member of the Group.

3. SERVICE CONTRACTS

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

4. DIRECTORS' INTERESTS IN ASSETS OR CONTRACTS OR ARRANGEMENT

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have since 31 December 2020 (being the date to which the latest published audited accounts of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors were materially interested, directly or indirectly, in any subsisting contract or arrangement entered into by any member of the Group which was significant in relation to the business of the Group.

5. COMPETING INTERESTS

As at the Latest Practicable Date, according to the Listing Rules, none of the Directors had any interests in businesses which are considered to compete or are likely to compete, either directly or indirectly, with the business of the Group other than those business where the Directors were appointed as directors to represent the interests of the Company and/or the Group pursuant to the Listing Rules.

As at the Latest Practicable Date, none of the Directors or their respective associates had any interests in any business which competes or may compete, either directly or indirectly, with the business of the Group.

6. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and so far as the Directors are aware, no litigation or claims of material importance are pending or threatened by or against the Company or any of its subsidiaries.

7. MATERIAL CHANGE

The Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2020, being the date to which the latest audited consolidated financial statements of the Group were made up.

8. EXPERT'S CONSENT AND QUALIFICATIONS

The following is the qualification of the expert who has given opinions or advices which are contained in this circular:

Name	Qualification
Guoyuan Capital	A corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO

Guoyuan Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and the references to its name included herein in the form and context in which it is included.

As at the Latest Practicable Date, Guoyuan Capital did not have any beneficial shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did it have any direct or indirect interests in any assets which have since 31 December 2020 (being the date to which the latest published audited consolidated financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours, Monday to Friday (other than public holidays), at the Company's head office and principal place of business in Hong Kong at Room B, 3rd Floor, Eton Building, 288 Des Voeux Road Central, Hong Kong, from the date of this circular up to and including the date of the Extraordinary General Meeting:

- (a) the 2021 Framework Agreement I;
- (b) the 2021 Framework Agreement II;
- (c) the letter from the Independent Board Committee as set out in this circular;
- (d) the letter from Guoyuan Capital as set out in this circular;
- (e) the consent letter referred to in the paragraph headed "Expert's Consent and Qualifications" in this Appendix I; and
- (f) this circular.

10. GENERAL

- (a) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (b) The head office and principal place of business of the Company in Hong Kong is at Room B, 3rd Floor, Eton Building, 288 Des Voeux Road Central, Hong Kong.
- (c) The branch share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (d) The company secretary is Mr. Terence Sin Yuen Ko, who is an accountant.
- (e) The English text of this circular shall prevail over the Chinese text, in the event of inconsistency.

NOTICE OF EXTRAORDINARY GENERAL MEETING

China Haisheng Juice Holdings Co., Ltd.

中國海升果汁控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0359)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**Meeting**”) of China Haisheng Juice Holdings Co., Ltd. (the “**Company**”) will be held at conference room of Shaanxi Haisheng Fresh Fruit Juice Co., Ltd., at 2/F, 359 Shenzhou 3rd Road, Chang’an District, Xi’an, Shaanxi Province, the PRC, at 10 a.m. on Tuesday, 10 August 2021 to consider, and if thought fit, to pass the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

1. “**THAT:**

- (a) the 2021 Framework Agreement I (as defined in the circular of the Company dated 23 July 2021 (the “**Circular**”), a copy of which marked “A” is produced to the meeting and signed by the chairman of the meeting for the purpose of identification) dated 22 June 2021 and entered into between 天地壹號飲料股份有限公司 (Tiandi Yihao Beverage Co., Ltd.*) as purchaser and 陝西海升果業發展股份有限公司 (Shaanxi Haisheng Fruit Juice Co., Ltd.*) as supplier, in relation to the purchase and supply of apple juice concentrates for a term commencing from 1 January 2021 to 31 December 2021 in respect of the transactions contemplated under the 2021 Framework Agreement I, be and is hereby approved, confirmed and/or ratified subject to the Annual Cap (as defined in the Circular) for the period of one year ending 31 December 2021, and all transactions contemplated thereunder and in connection therewith and any other ancillary documents be and are hereby approved, confirmed and/or ratified;
- (b) the 2021 Framework Agreement II (as defined in the circular of the Company dated 23 July 2021 (the “**Circular**”), a copy of which marked “B” is produced to the meeting and signed by the chairman of the meeting for the purpose of identification) dated 22 June 2021 and entered into between 江西天地壹號飲料有限公司 (Jiangxi Tiandi Yihao Beverage Co. Ltd.*) as purchaser and 陝西海升果業發展股份有限公司 (Shaanxi Haisheng Fruit Juice Co., Ltd.*) as supplier, in relation to the purchase and supply of apple juice concentrates for a term commencing from 1 January 2021 to 31 December 2021 in respect of the transactions contemplated under the 2021 Framework Agreement II, be and is hereby approved, confirmed and/or ratified subject to the Annual Cap (as defined in the Circular) for the period of one year ending 31 December 2021, and all transactions contemplated thereunder and in connection therewith and any other ancillary documents be and are hereby approved, confirmed and/or ratified;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) the Annual Cap (as defined in the Circular) of RMB44,559,639.00, be and is hereby approved, confirmed and/or ratified; and
- (d) any one of the directors of the Company be and is hereby authorised for and on behalf of the Company to sign, seal, execute, perfect, perform and deliver all such documents, deeds, agreements and instruments, to agree to such amendments, variations or extension to the 2021 Framework Agreements and do all such acts, matters and things and take all such steps as he may in his discretion consider necessary, expedient or desirable to implement and/or to give effect to the 2021 Framework Agreements and the transactions contemplated thereunder as they may in his discretion consider to be desirable and in the interests of the Company.”

By Order of the Board of
China Haisheng Juice Holdings Co., Ltd.
Mr. Gao Liang
Chairman

Xi'an, the People's Republic of China, 23 July 2021

* *The English translation or Chinese names or words, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

Notes:

1. Any member entitled to attend and vote at the Meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more Shares may appoint more than one proxy to represent him and vote on his behalf at the Meeting. A proxy need not be a member of the Company.
2. In order to be valid, a form of proxy, together with a power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority must be delivered to the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
3. The register of members of the Company will be closed from Thursday, 5 August 2021 to Tuesday, 10 August 2021 (both dates inclusive), during which period no transfers of Shares will be effected. In order to qualify for the entitlement to attend and vote at the Meeting, all transfer of Shares, accompanied by the relevant share certificates, must be lodged with the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Wednesday, 4 August 2021.
4. Where there are joint holders of any Share, any one of such persons may vote at the Meeting, either in person or by proxy, in respect of such Share as if he was solely entitled thereto; but if more than one of such joint holders be present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
5. In compliance with Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, voting on the resolution proposed in this notice shall be decided by poll at the Meeting.

NOTICE OF EXTRAORDINARY GENERAL MEETING

6. Members of the Company who attend the Meeting shall be responsible for their own travel and accommodation expenses.

As at the date of this notice, the executive Directors are Mr. Gao Liang, Mr. Wang Junqing, Mr. Wang Yasen and Mr. Qu Binglian; and the independent non-executive Directors are Ms. Huang Liqiong, Mr. Zhao Boxiang and Mr. Liu Zhongli.