

**ZHONGXIN FRUIT AND JUICE LIMITED**

(Incorporated in Singapore)  
(Co. Reg. No. 200208395H)

**UNAUDITED HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2018**
**PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**
**1(a). A statement of comprehensive income for the Group together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Consolidated Statement of Comprehensive Income for the six months period ended 31 December 2018. These figures have not been audited.

	Group		Increase / (Decrease) %
	Unaudited HY 31 Dec 2018 RMB'000	Unaudited HY 31 Dec 2017 RMB'000	
<b>Revenue</b>	47,080	52,829	(11%)
Cost of sales	(32,000)	(40,868)	(22%)
<b>Gross profit</b>	<b>15,080</b>	<b>11,961</b>	26%
<u>Other income:</u>			
Other operating income	304	234	30%
<u>Expenses:</u>			
Distribution expenses	(4,680)	(7,647)	(39%)
Administrative expenses	(5,933)	(3,997)	48%
Finance costs	(1,330)	(1,591)	(16%)
Share of loss from equity accounted joint venture	(2,374)	(3,146)	(25%)
<b>Profit / (Loss) before income tax</b>	<b>1,067</b>	<b>(4,186)</b>	125%
Income tax expense	-	(72)	
<b>Profit / (Loss) for the financial period</b>	<b>1,067</b>	<b>(4,258)</b>	125%
Other comprehensive income for the financial period, net of tax	-	-	
<b>Total comprehensive income for the financial period attributable to owners of the Company</b>	<b>1,067</b>	<b>(4,258)</b>	125%

Operating profit / (loss) is arrived at after charging / (crediting) the following:

	Group	
	Unaudited HY 31 Dec 2018 RMB'000	Unaudited HY 31 Dec 2017 RMB'000
<u>Charges</u>		
Amortisation of land use rights and intangible assets	90	94
Depreciation of property, plant and equipment	538	487
Foreign exchange loss	-	37
Impairment of property, plant and equipment	1,996	-
Inventories written down	1	-
Interest expense	1,330	1,591
<u>Credits</u>		
Amortisation of deferred capital grant	(3)	(1)
Foreign exchange gain	(141)	-
Interest income	(160)	(233)

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## 1(b)(i). A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	Unaudited	Audited	Unaudited	Audited
	As at 31 Dec 2018 RMB'000	As at 30 June 2018 RMB'000	As at 31 Dec 2018 RMB'000	As at 30 June 2018 RMB'000
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Investment in joint venture	7,657	10,031	10,451	10,451
Investment in subsidiaries	-	-	48,223	48,223
Property, plant and equipment	63,378	66,287	12	14
Land use rights	7,158	7,248	-	-
	<b>78,193</b>	<b>83,566</b>	<b>58,686</b>	<b>58,688</b>
<b>Current Assets</b>				
Cash and cash equivalents	2,974	6,189	2,650	4,028
Other receivables	3,432	2,194	-	-
Receivable from subsidiaries	-	-	27,719	27,787
Receivable from a related party	-	294	-	-
Receivable from immediate holding company	7,297	42,034	-	-
Prepayments	122	2,130	-	-
Inventories	51,382	11,215	-	-
	<b>65,207</b>	<b>64,056</b>	<b>30,369</b>	<b>31,815</b>
<b>Total Assets</b>	<b>143,400</b>	<b>147,622</b>	<b>89,055</b>	<b>90,503</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to owners of the Company</b>				
Share capital	252,093	252,093	252,093	252,093
Contributed surplus	22,000	22,000	-	-
Statutory and other reserves	4,156	4,156	-	-
Accumulated losses	(199,410)	(200,477)	(163,175)	(162,995)
<b>Equity attributable to owners of the Company</b>	<b>78,839</b>	<b>77,772</b>	<b>88,918</b>	<b>89,098</b>
<b>Non-Current Liability</b>				
Deferred capital grant	228	230	-	-
<b>Current Liabilities</b>				
Trade and other payables	6,525	8,669	137	1,405
Payable to a related party	-	20	-	-
Payable to immediate holding company	57,802	58,925	-	-
Deferred capital grant	6	6	-	-
Borrowings	-	2,000	-	-
	<b>64,333</b>	<b>69,620</b>	<b>137</b>	<b>1,405</b>
<b>Total Liabilities</b>	<b>64,561</b>	<b>69,850</b>	<b>137</b>	<b>1,405</b>
<b>Total Equity and Liabilities</b>	<b>143,400</b>	<b>147,622</b>	<b>89,055</b>	<b>90,503</b>

## 1(b)(ii). Aggregate amount of group's borrowings and debt securities.

	Group		Group	
	Unaudited		Audited	
	As at 31 Dec 2018		As at 30 June 2018	
	Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
<u>Repayable in one year or less, or on demand</u>				
- Borrowings	-	-	-	2,000
<u>Repayable after one year</u>				
- Borrowings	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,000</b>

### Details of any collateral

The bank loan of RMB2.0 million as at 30 June 2018 was unsecured.

There were no bank borrowings and debt securities as at 31 December 2018.

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**1(c). A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group	
	Unaudited HY 31 Dec 2018 RMB'000	Unaudited HY 31 Dec 2017 RMB'000
<b>Cash flows from operating activities</b>		
Profit / (Loss) before income tax	1,067	(4,186)
Adjustments for :		
Amortisation of deferred capital grant	(3)	-
Amortisation of land use rights and intangible assets	90	94
Depreciation of property, plant and equipment	538	487
Impairment of property, plant and equipment	1,996	-
Inventories written down	1	-
Share of loss from equity accounted joint venture	2,374	3,146
Interest expense	1,330	1,591
Interest income	(160)	(233)
Operating cash flows before working capital changes	7,233	899
Inventories	(37,973)	(57,745)
Other receivables	(1,238)	(2,593)
Receivable from immediate holding company	34,737	34,745
Prepayments	2,008	1,214
Trade and other payables	(2,144)	4,378
Cash flows from operations	2,623	(19,102)
Income tax paid	-	(12)
<b>Net cash generated from / (used in) operating activities</b>	<b>2,623</b>	<b>(19,114)</b>
<b>Cash flows for investing activities</b>		
Interest received	160	233
Proceed from government grant	-	240
Proceed from disposal of property, plant and equipment	164	-
Purchase of property, plant and equipment	(1,983)	(6,435)
<b>Net cash used in investing activities</b>	<b>(1,659)</b>	<b>(5,962)</b>
<b>Cash flows from financing activities</b>		
Advances / (repayment) to immediate holding company	(1,123)	25,764
Net advances/repayment to related parties	274	-
Interest paid	(1,330)	(1,591)
Repayment of borrowings	(2,000)	-
<b>Net cash (used in) / generated from financing activities</b>	<b>(4,179)</b>	<b>24,173</b>
Net change in cash and cash equivalents	(3,215)	(903)
Cash and cash equivalents at beginning of financial period	6,189	6,510
<b>Cash and cash equivalents at end of financial period</b>	<b>2,974</b>	<b>5,607</b>

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- 1(d)(i). A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Equity attributable to owners of the Company				
	Share Capital RMB'000	Contributed Surplus RMB'000	Statutory and Other Reserves RMB'000	Accumulated Losses RMB'000	Total RMB'000
<b>Group</b>					
<b>Current Year:</b>					
Balance as at 1 July 2018	252,093	22,000	4,156	(200,477)	77,772
Total comprehensive income for the financial period	-	-	-	1,067	1,067
Balance as at 31 Dec 2018	252,093	22,000	4,156	(199,410)	78,839
<b>Previous Year:</b>					
Balance as at 1 July 2017	252,093	22,000	3,040	(204,719)	72,414
Total comprehensive income for the financial period	-	-	-	(4,258)	(4,258)
Balance as at 31 Dec 2017	252,093	22,000	3,040	(208,977)	68,156
<b>Company</b>					
<b>Current Year:</b>					
Balance as at 1 July 2018	252,093	-	-	(162,995)	89,098
Total comprehensive loss for the financial period	-	-	-	(180)	(180)
Balance as at 31 December 2018	252,093	-	-	(163,175)	88,918
<b>Previous Year:</b>					
Balance as at 1 July 2017	252,093	-	-	(119,406)	132,687
Total comprehensive loss for the financial period	-	-	-	(448)	(448)
Balance as at 31 December 2017	252,093	-	-	(119,854)	132,239

- 1(d)(ii). Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There was no change in the Company's issued share capital (excluding treasury shares) of 1,055,459,201 ordinary shares amounting to RMB252,093,405 from 30 June 2018 to 31 December 2018.

As at 31 December 2018 and 31 December 2017, there were no outstanding options, convertibles, treasury shares or subsidiary holdings in the Company.

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- 1(d)(iii). To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

<b>The total number of issued shares excluding treasury shares</b>	<b>As at 31 Dec 2018</b>	<b>As at 30 June 2018</b>
Total number of issued shares	1,055,459,201	1,055,459,201
Less : Treasury shares	-	-
Total number of issued shares (excluding treasury shares)	<u>1,055,459,201</u>	<u>1,055,459,201</u>

- 1(d)(iv). A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

- 1(d)(v). A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in paragraph 5 below, the Group has adopted the same accounting policies and methods of computation which are consistent with those used in the most recent audited consolidated financial statements for the financial year ended 30 June 2018.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted all the Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for the current financial year. The adoption of new/revised FRS and INT FRS does not have any material impact on the financial statements for the financial period ended 31 December 2018.

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**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

<b>Earnings per ordinary shares of the Group for the period based on profit after income tax :</b>	<b>Unaudited HY 31 Dec 2018</b>	<b>Unaudited HY 31 Dec 2017</b>
(a) Based on the weighted average number of ordinary shares in issue (basic) (RMB cents)	0.10	(0.40)
(b) On a fully diluted basis (RMB cents)	0.10	(0.40)
Weighted average number of ordinary shares in issue	1,055,459,201	1,055,459,201

The basic and fully diluted earnings per share were the same as there were no potentially dilutive ordinary shares in issue as at 31 December 2018 and 31 December 2017.

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

	<b>Unaudited As at 31 Dec 2018</b>	<b>Audited As at 30 June 2018</b>
<b><u>Group</u></b>		
Net assets value per ordinary share based on total number of issued shares excluding treasury shares (RMB cents)	7.47	7.37
<b><u>Company</u></b>		
Net assets value per ordinary share based on total number of issued shares excluding treasury shares (RMB cents)	8.42	8.44

The net asset value per ordinary share for the Group and Company is calculated based on the issued share capital of 1,055,459,201 as at 31 December 2018 and 30 June 2018.

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**  
**(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**  
**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**Review for the performance of the Group for the six months ended 31 December 2018 ("HY2019") as compared to the six months ended 31 December 2017 ("HY2018").**

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**Consolidated Statement of Comprehensive Income****Revenue**

During HY2019 and HY2018, the Group recorded the following:

	<b>Group</b>	
	<b>HY2019</b>	<b>HY2018</b>
Procurement (Metric tonnes, "MT"):		
- Apples	62,269	93,876
- Semi processed apple juice	-	3,952
- Pears	-	4,751
Total	<u>62,269</u>	<u>102,579</u>
Production (MT):		
- Apple juice	10,623	18,629
- Fructose	-	914
Total	<u>10,623</u>	<u>19,542</u>
Sales volume (MT):		
- Apple juice	4,723	7,832
- Pear juice	-	214
- Fructose	294	328
Total	<u>5,016</u>	<u>8,374</u>
Average selling price (RMB per MT):		
- Fruit juice	9,278	6,193
- Fructose	8,339	7,000

In HY2019, some major apple producing areas in China suffered from frost disasters and the harvest of apples greatly reduced, resulting in higher raw material costs as compared to HY2018. Furthermore in compliance with relevant national regulations, the Company switched from the use of coal-fired boilers to the use of natural gas at all our operational plants at the beginning of the production season. These led to an increase in production costs in HY2019 as compared to HY2018. Having reviewed the production costs and the overall market demand, the subsidiary of the Company, Yuncheng Zhongxin Fruit and Juice Company Limited ("Yuncheng Zhongxin") reduced the level of production in HY2019.

The shortage of quality raw materials in the procurement region of a subsidiary, Xuzhou Zhongxin Fruit and Juice Company Limited ("Xuzhou Zhongxin") persisted in HY2019. The Management decided to continue the suspension of Xuzhou Zhongxin's operations which has taken place since the 2<sup>nd</sup> half of calendar year 2015 ("Temporary Suspension"). The Management will continuously monitor the situation and if market conditions improve, it will consider resuming production in the next fruit harvesting season starting in the next financial year ending 30 June 2020.

The average selling price of concentrated fruit juices increased about 50% in HY2019 as compared to HY2018 due to the shortage of international supply of concentrated fruit juices and taking into consideration the higher cost of production driven by the increase in the raw material prices. The higher price has caused the demand for the concentrated fruit juices to fall and the Group recorded a lower revenue of RMB47.1 million in HY2019, representing a decrease of RMB 5.7 million or 11% from the RMB 52.8 million in HY2018.

Yuncheng Zhongxin suspended fructose production in HY2019 due to lower market demand. The Management will continuously monitor the market situation and will consider resuming production in due course.

**Cost of sales**

Cost of sales decreased from RMB40.1mil in HY2018 to RMB32.0 mil in HY2019 mainly attributable to reduce in sales volume in HY2019 as compared to HY2018.

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### Gross profit

In tandem with the higher average selling price of the concentrated fruit juices and fructose, gross profit margin increased from 23% in HY2018 to 32% in HY2019. Gross profit increased by 26% from RMB12.0 million in HY2018 to RMB15.1 million in HY2019.

### Other income

Other income increased in HY2019 mainly attributable to foreign exchange gain recognised by the Company, and partially offset by the decrease of interest received from the Group's immediate holding company, SDIC Zhonglu Fruit and Juice Co., Limited ("SDIC Zhonglu") for excess cash deposit by the Group in SDIC Zhonglu.

### Expenses

The decrease in distribution expenses was mainly attributable to lower transportation and warehousing costs incurred in HY2019 due to decrease in production volume.

The increase in administrative expenses was mainly due to RMB2.0 million impairment of property, plant and equipment recognised by Yuncheng Zhongxin relating to its coal-fired boilers and the ancillary facilities.

The decrease in finance costs was mainly due to the lower level of average advances made by the Group's immediate holding company, SDIC Zhonglu in HY2019 to the Group to finance the working capital requirements.

### Share of loss from equity-accounted joint venture

In HY2019, the Group's share of loss from its equity-accounted joint venture, Linyi SDIC Zhonglu Fruit Juice Co., Ltd ("Linyi") was approximately RMB2.4 million as compared to RMB3.1 million in HY2018. The loss from Linyi was lower in HY2019 mainly due to the lower transportation and warehouse costs incurred attributable to lower production volume.

### Profit for the financial period

Due to the shortage of supply of concentrated fruit juices in the international market, the average selling prices of concentrated fruit juices have surged by 50% which more than cover the increase in production costs caused by higher cost of raw materials and energy due to the switching to the usage of gas for energy to fuel its production plant. Hence, the Group was able to record higher gross profit margin of 32% in HY2019 as compared to 23% in HY2018. Coupled with lower distribution costs due to the lower volume of trade, the Group was able to record a profit after taxation of RMB1.1 million in HY2019 reversing its loss after taxation position of RMB4.3 million in HY2018.

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### **Statements of Financial Position**

The comparative for both the assets and liabilities are based on the Group's financial statements as at 31 December 2018 and 30 June 2018.

**Non-current assets** decreased by approximately RMB5.4 million from RM83.6 million as at 30 June 2018 to RMB78.2 million as at 31 December 2018 mainly due to the following:

#### Investment in joint venture

Investment in joint venture decreased by approximately RMB2.4 million due to a lower carrying amount of the investment in Linyi following the share of loss in HY2019.

#### Property, plant and equipment ("PPE")

PPE decreased by approximately RMB2.9 million mainly due to an impairment amounted to RMB2.0 million, depreciation charges of RMB2.7 million, partially offset by an addition amounted to RMB2.0 million.

The impairment of PPE in HY2019 consisted of mainly impairment of the coal-fired boilers and the ancillary facilities following the coal-to-gas boiler conversion project.

The addition of PPE in HY2019 was mainly incurred by Yuncheng Zhongxin for its factory's water treatment upgrading work and coal-to-gas boiler conversion project.

Included in the depreciation charges in HY2019 was an amount of RMB2.2 million (HY2018: RMB2.0 million) that was absorbed into inventories costing while the remaining amount of RMB0.5 million (HY2018: RMB0.5 million) was charged to distribution and administrative expenses.

#### Land use rights

Land use rights decreased by approximately RMB0.09 million due to the amortisation of land use rights.

**Current assets** increased by approximately RMB1.1 million from RMB64.1 million as at 30 June 2018 to RMB65.2 million as at 31 December 2018 mainly due to the following:

#### Other receivables

Other receivables increased by approximately RMB1.2 million mainly attributable to security deposit paid by Yuncheng Zhongxin to its natural gas supplier. The security deposit can be utilised to offset the company's natural gas usage after the third year.

In HY2019, Xuzhou Zhongxin received RMB 50,000 from the relevant authority of Fengxian county as partial payment to the compensation receivable pursuant to the compulsory land and structure acquisition.

#### Receivable from immediate holding company

The amount receivable from immediate holding company of RMB42.0 million as at 30 June 2018 was related to trade amount owing by SDIC Zhonglu in relation to sales made in the previous financial year. The amount has been repaid by SDIC Zhonglu in HY2019.

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### Prepayments

Prepayments decreased by approximately RMB2.0 million as compared to 30 June 2018 due to lesser prepaid expenses required in tandem with the production cycle of the Group.

### Inventories

Inventories increased by approximately RMB40.2 million as the Group carried higher level of finished goods as at 31 December 2018 as compared to 30 June 2018. The fruit juice industry is cyclical in nature as raw materials such as apples and pears are in season during the first half of the Group's financial year. To ensure the freshness of the ingredients, the Group generally procures and produces the fruit juice during the first half of the financial year for its full year's supply. Therefore, the Group carried higher level of inventories as at 31 December 2018 which were mainly represented by finished goods.

### Non-current Liability - Deferred capital grant

Deferred capital grant relates to government grant received by Yuncheng Zhongxin for the development of Water Treatment Upgrading Project. The grant is recognised as deferred capital grant and amortised over the useful life of the plant.

**Current liabilities** decreased by approximately RMB5.3 million from RMB69.6 million as at 30 June 2018 to RMB64.3 million as at 31 December 2018. This was mainly due to the following:

#### Trade and other payables

Trade and other payables decreased by approximately RMB2.1 million mainly due to:

- decrease in trade payables of RMB1.5 million as a result of lower level of procurement during HY2019; and
- net settlement of other payables and accrued expenses of RMB0.6 million in HY2019.

#### Payable to immediate holding company

RMB1.1 million reduction in the payable to the immediate holding company.

#### Repayment of borrowings

Yuncheng Zhongxin repaid the bank loan of RMB2.0 million in HY2019.

### Positive working capital

As at 31 December 2018, the Group's current assets exceeded its current liabilities by RMB0.9 million, an improvement of RMB6.5 million as compared to the shortfall of RMB5.6 million as at 30 June 2018. The immediate holding company of the Group has continued to finance the Group's working capital requirements by making available working capital. The Group will continue to be dependent on its immediate holding company for financial support and its connections for entry into new markets. The Group is consistently looking into the various possibilities to expand and diversify its business with the view of improving profitability and the financial position of the Group, hence reducing the dependence on its immediate holding company eventually.

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### **Statement of Cash Flows**

Net cash generated from operating activities of RMB2.6 million in HY2019 was mainly due to the positive cash flows before working capital changes, decrease in the amount receivable from immediate holding company and offset by the increase in inventories.

Net cash used in investing activities of RMB1.7 million in HY2019 was mainly due to the addition of property, plant and equipment.

Net cash used in financing activities of RMB4.2 million in HY2019 mainly due to repayment of borrowings and repayment to its immediate holding company.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable. No forecast or prospect statement had been previously disclosed to shareholders.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group was able to benefit from the surge in selling price and recorded improvement in the results in HY2019. The Group expects growth in the international fruit juice market in the mid to long term. However, the Group is cautious as the general outlook of the global economy remains uncertain and challenging. Nevertheless, the Group remains bullish on the longer term outlook of the economy and the international fruit juice industry as fruit juices are gaining more popularity as health and dietary concerns grow.

Zhongxin Fruit and Juice and its subsidiaries will continue to step up efforts on environmental governance in accordance with relevant national environmental protection policies. The subsidiaries have completed the switch from the coal-fire boilers to the use of natural gas. HY2019 was challenging as the Group has to manage the increase in production cost and deal with unforeseeable catastrophic freeze that damaged crops and disrupted supply and pricing of raw materials. Nevertheless, the surge in the market prices of the concentrated juices was higher and the Group was able to pass on the higher raw material costs to its customers and achieve a higher gross profit margin.

Zhongxin Fruit and Juice and its subsidiaries will take a market-oriented approach in assessing the factors that will impact its business and adapting its strategies to deal with the challenges. In addition, the Group is also committed to further promoting refined management and strengthening internal control, striving to reduce operational risks and the impact of the decrease in raw materials while ensuring product quality. At the same time, we will further tap on the assets of Xuzhou Zhongxin to enhance the equipment utilisation rate and actively explore various ways of cooperation to increase and improve profitability. The Company will also strengthen regional coordination to further develop and broaden market and product channels, thus minimising the external pressure brought by the Sino-US trade friction and the competition from good harvest of European apples in the new pressing season.

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**11. If a decision regarding dividend has been made:**

- (a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

No dividend was declared for HY2019.

- (b) (i) Amount per share (cents)**

Not applicable.

- (b) (ii) Previous corresponding period (cents)**

Not applicable. No dividend was declared for HY2018.

- (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

- (d) The date the dividend is payable.**

Not applicable.

- (e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

**12. If no dividend has been declared/recommended, a statement to that effect.**

No dividend has been declared for HY2019.

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(Incorporated in Singapore)  
(Co. Reg. No. 200208395H)

13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (RMB'000)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) (RMB'000)
SDIC Zhonglu	(a) Payment to a subsidiary of SDIC Zhonglu for lease of certain storage facility  133	(b) Sales by the Group to SDIC Zhonglu and its group of companies.  46,308
		(c) Interest paid by subsidiaries of the Company with respect to the working capital provided by SDIC Zhonglu.  1,285
<b>Total</b>	<b>133</b>	<b>47,593</b>

Transaction (a) was in relation to the lease of certain storage facility which falls within the exception set out under Rule 916(1) of the Catalist Rules.

Transactions (b) and (c) were conducted pursuant to the renewed shareholders' mandate for IPTs approved by shareholders on 25 October 2018.

Save as disclosed above, there are no other IPTs above S\$100,000 in HY2019.

14. **Negative confirmation by the Board pursuant to Rule 705(5) of the Catalist Rules**

On behalf of the Board of Directors, we hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the six-months financial period ended 31 December 2018 to be false or misleading in any material aspect.

Zhang Jiming  
**Director**

Quan Yuhong  
**Director**

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### 15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers in the format as set out in Appendix 7H in accordance with Rule 720(1) of the Catalist Rules.

### BY ORDER OF THE BOARD

**Zhang Jiming**  
Chairman

25 January 2019

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**") for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.*

*This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Ms Keng Yeng Pheng, Associate Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: [sponsorship@ppcf.com.sg](mailto:sponsorship@ppcf.com.sg)).*