ZHONGXIN FRUIT AND JUICE LIMITED
(Company Registration No. 200208395H)
(Incorporated in the Republic of Singapore)

INTERESTED PERSON TRANSACTIONS WITH SDIC ZHONGLU FRUIT JUICE CO., LTD.

1. INTRODUCTION

The Board of Directors (the "Board") of Zhongxin Fruit and Juice Limited (the "Company") refers the general mandate for interested person transactions renewed in the Company's general meeting held on 27 October 2016 ("IPT Mandate"). The Board wishes to announce that the Company together with its subsidiaries (the "Group") has entered into transactions with SDIC Zhonglu Fruit Juice Co. Ltd ("SDIC Zhonglu") and its subsidiaries (the "SDIC Zhonglu Group"), being interested person transactions ("IPTs") as defined in Chapter 9 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "Catalist Rules") which are outside the scope of the IPT Mandate ("Transactions").

2. DETAILS OF TRANSACTIONS

SDIC Zhonglu is a controlling shareholder of the Company, holding 53.11% shareholding interest in the Company. Accordingly, SDIC Zhonglu and its subsidiaries are deemed to be the interested persons within the meaning defined in Chapter 9 of the Catalist Rules.

During financial year ending 30 June 2017 ("FY2017"), Yuncheng Zhongxin Fruit & Juice Company Limited ("Yuncheng Zhongxin"), a subsidiary of the Company, had entered into the following Transactions above S$100,000 with Liaoning SDIC Zhonglu Fruit Juice Co. Ltd ("LSZ"), a subsidiary of the SDIC Zhonglu and Linyi SDIC Zhonglu Fruit Juice Co. Ltd ("Linyi Co"), a joint venture company where SDIC Zhonglu owns 50% and the Group owns the other 50%. Further, Linyi Co is deemed to be a subsidiary of SDIC Zhonglu as SDIC Zhonglu has management and board control over Linyi Co. Given that LSZ and Linyi Co are associates of SDIC Zhonglu, LSZ and Linyi Co are the interested persons as defined in Chapter 9 of the Catalist Rules.

Name of Interested Person	Details of Transaction	Value of Transaction RMB'000
LSZ	Purchase of concentrated apple juice by Yuncheng Zhongxin	1,647
Linyi Co	Purchase of concentrated apple juice by Yuncheng Zhongxin	833
	Total:	**2,480**

The terms of purchase of concentrated apple juice by Yuncheng Zhongxin from LSZ and Linyi Co is similar to the general terms that (a) LSZ and Linyi Co are selling to their unrelated customers, and (b) Yuncheng Zhongxin is buying from its related suppliers.

Based on the Group's latest audited consolidated financial statements for the financial year ended 30 June 2016, the audited consolidated net tangible assets ("NTA") of the Group as at 30 June 2016 was RMB 61,385,000 ("2016 NTA").

For the purposes of Catalist Rule 905(2), the aggregate value of all transactions entered into with SDIC Zhonglu Group (excluding the transactions conducted under the IPT Mandate) in FY2017 amounted to RMB3,168,000, representing approximately 5.16% of the 2016 NTA. However, for the purposes of Catalist Rule 906(2), the aggregate value of all transactions entered into with SDIC

Zhonglu Group (excluding the transactions conducted under the IPT Mandate and the exempted transactions under Catalist Rule 916) in FY2017 amounted to RMB2,480,000, representing approximately 4.04% of the 2016 NTA and hence, the Company is not required to obtain shareholders' approval.

3. INTERESTED PERSON TRANSACTIONS

The value of all IPTs conducted since the beginning of FY2017 to the date of this announcement was as follows:-

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) Purchase of concentrated apple juice by a subsidiary of the Company from associates of SDIC Zhonglu. 2,480	(a) Sales by the Group to SDIC Zhonglu and its group of companies. 13,875
	(b) Payment to a subsidiary of SDIC Zhonglu for lease of certain storage facility 688	(b) Interest received from SDIC Zhonglu for excess cash deposit by the Group in relation to the financing from SDIC Zhonglu Group. 510
Total:	3,168	14,385

Please refer to the announcement of the Company on 29 September 2016 for information relating to the lease of storage facility.

Save as disclosed above, there are no other interested person transactions above S$100,000 in FY2017.

4. RATIONALE FOR THE TRANSACTIONS

The purchases of concentrated apple juice from LSZ and Linyi are to fulfil certain customers' orders placed with the Group. The stock held by the Group may not always necessarily meet the order size, and the Group may from time to time purchase concentrated apple juice from other suppliers, including from the SDIC Zhonglu Group to top up its stock and meet the order size. LSZ and Linyi Co allows the Group to purchase concentrated apple juice in smaller and varied batch size, allowing the Group the flexibility to match its purchase and its existing stock with the order size from customers.

5. AUDIT COMMITTEE'S STATEMENT

The Audit Committee has reviewed the terms of the Transactions. The Audit Committee and the Board are of the view that the Transactions were entered into on an arm's length basis and on normal commercial terms, and are not prejudicial to the interests of the Company and its minority shareholders.

6. FUTURE TRANSACTIONS

The Group may from time to time purchase concentrated juice from SDIC Zhonglu Group to fulfil customers' orders ("Future Transactions"). The terms and conditions of the Future Transactions will be agreed upon between the Group and SDIC Zhonglu Group, having regard to prevailing market rates of concentrated juice, and will be based on normal commercial terms transacted on arm's length basis.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for Mr. Zhang Jiming and Ms. Quan Yuhong who are nominated by SDIC Zhonglu, none of the other Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Transactions.

By Order of the Board

Zhang Jiming
Executive Chairman
18 November 2016

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*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 Mr. Thomas Lam, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.