

ZHONGXIN FRUIT AND JUICE LIMITED

(Company Registration No.: 200208395H)
(Incorporated in the Republic of Singapore)
(the “Company”)

THE COMPULSORY ACQUISITION OF THE GROUP’S LAND AND BUILDINGS IN FENG COUNTY, JIANGSU PROVINCE, THE PEOPLE’S REPUBLIC OF CHINA (“PRC”)

1. INTRODUCTION

- 1.1. The board of directors (“**Directors**” or “**Board**”) of Zhongxin Fruit and Juice Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that Xuzhou Zhongxin Fruit & Juice Co., Ltd. (徐州中新果业有限公司) (“**Xuzhou Zhongxin**”), a wholly-owned subsidiary of the Company, has entered into a housing expropriation compensation agreement (丰县房屋征收补偿协议) (the “**Compensation Agreement**”) with Zhongyangli Sub-district Office of Feng County (丰县中阳里街道办事处) (the “**Fengxian Authority**”) on 16 October 2026 in respect of the compulsory acquisition of the land use rights, buildings and related assets of Xuzhou Zhongxin (“**Existing Properties**”), located in Feng County, Jiangsu Province, PRC (the “**Compulsory Acquisition**”).
- 1.2. The compensation for the Compulsory Acquisition as put forward by the relevant governmental authorities will be satisfied partly in cash and by way of replacement industrial properties.

2. INFORMATION ON THE COMPULSORY ACQUISITION

- 2.1. The Existing Properties are located within the Wenyuan Qizhuang Phase II Block (温元齐庄二期区块), an area which has been designated by the Feng County government for expropriation for the purposes of urban renewal and redevelopment and the development of an industrial park. The Compulsory Acquisition is carried out under the Regulations on the Expropriation of Buildings on State-owned Land and Compensation (国有土地上房屋征收与补偿条例) (the “**Expropriation Regulations**”).
- 2.2. The relevant governmental authorities had engaged with Xuzhou Zhongxin on the compensation and relocation arrangements for the Compulsory Acquisition, including the amount and form of compensation, the replacement properties to be provided and the payment schedule for the cash component, and subsequently put forward the compensation and relocation terms described in paragraph 4 below.

3. INFORMATION ON XUZHOU ZHONGXIN AND THE EXISTING PROPERTIES

- 3.1. The Xuzhou Zhongxin is a wholly-owned subsidiary of the Company. It was established in September 2004 and its principal business is the production and sale of fruit juice and vegetable juice products.
- 3.2. The Compulsory Acquisition relates to (a) the land use rights in respect of a parcel of state-owned land in Feng County, Jiangsu Province, PRC with an area of approximately 141,000 square metres, held by Xuzhou Zhongxin under real estate title certificate no. 0016628 (the “**Acquired Land**”); (b) the buildings erected on the Acquired Land, with an aggregate floor area of approximately 18,800 square metres, of which approximately 17,000 square metres is recognised as lawful floor area under the Compensation Agreement (the “**Existing Buildings**”); and (c) the onsite improvements, machinery, equipment and other physical assets on the Acquired Land that were valued for the purposes of the Compensation Agreement. The

Acquired Land and the Existing Buildings are collectively referred to as the “**Existing Properties**”.

- 3.3. Xuzhou Zhongxin’s juice production operations have been suspended since 2016. A fresh-garlic sorting and packing line commenced operations in 2020 and was suspended shortly in 2021 and Xuzhou Zhongxin has not carried out production activities at the Existing Properties since.

4. COMPENSATION FOR THE COMPULSORY ACQUISITION

- 4.1. Under the proposed terms of the Compensation Agreement, the aggregate compensation payable to Xuzhou Zhongxin for the Compulsory Acquisition is approximately RMB72.16 million (approximately S\$13.8 million¹) (the “**Compensation Amount**”). The Compensation Amount is subject to final audit by the relevant governmental authorities. A breakdown of the Compensation Amount is set out below:

Compensation item	RMB’ million
Compensation for expropriated assets	69.16
Other ancillary allowances	3
Total	72.16

- 4.2. The Compensation Amount was determined by reference to valuation reports commissioned by the relevant governmental authorities on the Existing Properties, the onsite improvements and other physical assets of approximately RMB64.64 million. To independently assess the reasonableness and basis of compensation, Xuzhou Zhongxin engaged China Alliance Appraisal Co., Ltd. (“**CAA**”) to review such valuations. CAA had concluded in their report on 18 September 2026 that the valuation of the Existing Buildings, onsite improvements, acquired land (land use rights), machinery, equipment and other physical assets is reasonable.
- 4.3. The Compensation Amount will be satisfied by a combination of monetary compensation and property right exchange (产权置换) as described below. No interest is payable on any part of the Compensation Amount.
- 4.4. Approximately RMB28.5 million of the Compensation Amount (the “**Cash Compensation**”), is payable in five equal annual instalments of 20% of the Cash Compensation (approximately RMB5.7 million each). Under the Compensation Agreement, the Fengxian Authority is required to apply to the Feng County finance bureau for disbursement of each instalment by the relevant date set out below:

Date
15 December 2026, subject to completion of the relocation and title cancellation requirements under the Compensation Agreement
31 October 2027
31 October 2028
31 October 2029
31 October 2030

¹ Based on the exchange rate of RMB5.23 : S\$1.00 as quoted by Bloomberg on 16 October 2026 which shall be used throughout this Announcement.

- 4.5. The balance of the Compensation Amount, being RMB43.66 million² (the “**Replacement Property Amount**”) is to be applied towards the acquisition from Fengxian Investment of four industrial buildings, identified as Blocks A1, A2, A5 and A6, in the Zero Formaldehyde Home Furnishing Industrial Park (零醛添加家居产业园) in Feng County, together with the land use rights in respect of the state-owned land on which they are situated (collectively, the “**Replacement Properties**”). Each Replacement Property is a single-storey steel-structure industrial building with a planned floor area of approximately 6,300 square metres, including a mezzanine office area of approximately 540 square metres. The Replacement Properties have an aggregate planned floor area of approximately 25,000 square metres, subject to final survey.
- 4.6. To assess the reasonableness of the Replacement Property Amount, Xuzhou Zhongxin had also engaged CAA, who had assessed that the Replacement Properties had a value (inclusive of value-added tax) at RMB43.92 million as at 31 December 2025 on a market value basis.
- 4.7. To give effect to the property component, Xuzhou Zhongxin will, in due course, enter into an asset transfer agreement (资产转让合同) (the “**Asset Transfer Agreement**”) with Fengxian Economic Development Zone Investment Development Co., Ltd. (丰县经济开发区投资发展有限公司) (“**Fengxian Investment**”), which holds the Replacement Properties. The purchase price under the Asset Transfer Agreement will be funded entirely out of the compensation payable under the Compensation Agreement, which will require that amount to be applied for this purpose. The receipt of the Replacement Properties is therefore the form in which part of the compensation for the Compulsory Acquisition is satisfied, and forms part of a single, integrated compensation arrangement in respect of the Compulsory Acquisition.

5. SALIENT TERMS OF THE COMPENSATION AGREEMENT

- 5.1. Under the terms of the Compensation Agreement:
- (a) Xuzhou Zhongxin must complete its relocation from the Existing Properties by 25 November 2026 and deliver them in a condition ready for demolition (including vacation by any tenants);
- (b) Xuzhou Zhongxin must procure the cancellation of the land and building title certificates for the Existing Properties, after which the Feng County natural resources and planning bureau will issue a confirmation of the title position;
- (c) thereafter, the Fengxian Authority is to complete its audit by 30 November 2026 and, by 15 December 2026, apply for disbursement of the first instalment of the Cash Compensation and of the Replacement Property Amount; and
- (d) assets valued and compensated for under the Compensation Agreement must be kept intact, failing which the compensation for any missing asset will be deducted from the Compensation Amount.
- 5.2. Xuzhou Zhongxin has also warranted under the Compensation Agreement that title to the Existing Properties is clear and free from encumbrances (including mortgages) and that all utility charges have been settled. It is responsible for any dispute over title to the Existing Properties arising after the Compensation Agreement is signed. The Compensation Agreement takes effect upon signing or sealing by the parties.
- 5.3. Shareholders should note that Xuzhou Zhongxin is required to vacate the Existing Properties and procure the cancellation of its title before any part of the Compensation Amount is disbursed. The obligations of the Fengxian Authority under the Compensation Agreement are

² The Replacement Property Amount is inclusive of value-added tax. The price of the Replacement Properties exclusive of value-added tax is approximately RMB40.07 million.

to apply for disbursement by the dates set out above, and the timing of actual receipt will depend on approval and disbursement by the Feng County finance bureau. The Compensation Amount remains subject to final audit.

6. RATIONALE FOR ACCEPTING THE COMPENSATION TERMS

- 6.1. The Compulsory Acquisition is being carried out by the relevant governmental authorities in the exercise of their statutory powers under the Expropriation Regulations, and is not a disposal initiated by the Group. In considering the compensation and relocation terms put forward by the relevant governmental authorities, the Board has had regard to the matters set out below.
- 6.2. Xuzhou Zhongxin's juice production operations have been suspended since 2016 and the production facilities on them have been mostly idle since then, and the Board does not expect production at the Existing Properties to resume in the near term. The Compulsory Acquisition allows the Group to realise value from ageing and under-utilised assets and to receive, in exchange, industrial properties which may be used by the Group or leased to third parties, together with cash compensation.
- 6.3. Notwithstanding the compulsory nature of the Compulsory Acquisition, the Board has noted that the valuation given to the Existing Properties and the valuation of the Replacement Properties which forms the basis of the Compensation amount is reasonable.
- 6.4. Having regard to the compulsory nature of the acquisition, the basis on which the Compensation Amount was determined and the current non-utilisation of the Existing Properties, the Board is of the view that it is in the interests of the Company and its shareholders not to contest the Compulsory Acquisition.

7. FINANCIAL IMPACT AND USE OF PROCEEDS

- 7.1. Based on the audited consolidated financial statements of the Group as at 30 June 2026, the aggregate net tangible asset value of the Existing Properties and the other assets compulsorily acquired is approximately RMB18.3 million as at 30 June 2026. The Compensation Amount of exceeds that book value by approximately RMB53.86 million. After deducting estimated taxes and expenses of approximately RMB8.3 million, the Group expects to recognise a gain of approximately RMB45.56 million (approximately S\$8.71 million) on the Compulsory Acquisition. The expected gain is indicative based on information and assumptions currently available to the Company. The actual gain to be recognised will be subject to, among others, the accounting treatment to be adopted for the compensation and the applicable tax treatment, which will be reviewed by the Company's auditors.
- 7.2. The Group intends to use the Cash Compensation as working capital and such business and operational requirements of the Group as the Board may determine from time to time. The Replacement Properties may be used by the Group, leased to third parties or otherwise dealt with in accordance with the Group's requirements and applicable laws.

8. APPLICABILITY OF CHAPTER 10 OF THE CATALIST RULES

The Company wished to highlight that the Compulsory Acquisition is not a voluntary disposal by the Group. It is an expropriation carried out by the relevant governmental authorities in the exercise of their statutory powers under the Expropriation Regulations. The Replacement Properties are the form in which part of the compensation for that expropriation will be satisfied, as the Compensation Agreement will require the Replacement Property Amount to be applied towards the Replacement Properties. As such, and based on other precedents noted on similar transactions, the Company is of the view that Chapter 10 of the Listing Manual Section B: Rules of Catalist of the SGX-ST (the "**Catalist Rules**") does not apply to the Compulsory Acquisition.

9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or the controlling shareholders of the Company, or their respective associates, has any interest, direct or indirect, in the Compulsory Acquisition, other than through their respective shareholdings (if any) in the Company.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Compulsory Acquisition, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Compensation Agreement may be inspected at the secretary office at 133 Cecil Street, #14-01 Keck Seng Tower, Singapore 069535 during normal business hours for a period of three (3) months from the date of this announcement. Please contact the Company at general@zhongxinfi.com prior to making any visits to arrange for a suitable time slot for the inspection.

12. FURTHER ANNOUNCEMENTS

The Company will make further announcements as appropriate on any material developments in relation to the Compulsory Acquisition. Shareholders are advised to exercise caution when dealing in the Shares.

BY ORDER OF THE BOARD

Liu Yu
Chairman and Non-Executive Non-Independent Director
16 October 2026

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "**Sponsor**"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes 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 Lance Tan, Senior Vice President, at 83 Clemenceau Avenue, #10-01 UE Square, Singapore 239920, telephone (65) 6590 6881.*