

ZHONGXIN FRUIT AND JUICE LIMITED

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

**UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2019**
**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 financial year ended 30 June 2019. These figures have not been audited.

	Group		Increase / (Decrease) %
	Unaudited FY 30 June 2019 RMB'000	Audited FY 30 June 2018 RMB'000	
Revenue	99,993	121,869	(18%)
Cost of sales	(73,866)	(93,665)	(21%)
Gross profit	26,127	28,204	(7%)
<u>Other income:</u>			
Other operating income	1,987	684	190%
<u>Expenses:</u>			
Distribution expenses	(7,297)	(11,868)	(39%)
Administrative expenses	(10,349)	(8,133)	27%
Finance costs	(2,616)	(3,046)	(14%)
Share of loss from equity accounted joint venture	(3,684)	(406)	807%
Profit before income tax	4,168	5,435	(23%)
Income tax expense	(10)	(77)	(87%)
Profit for the financial year	4,158	5,358	(22%)
Other comprehensive income for the financial year, net of tax	-	-	
Total comprehensive income for the financial year attributable to owners of the Company	4,158	5,358	(22%)

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

	Group	
	Unaudited FY 30 June 2019 RMB'000	Audited FY 30 June 2018 RMB'000
<u>Charges</u>		
Allowance for doubtful debts	2	-
Amortisation of land use rights	183	190
Depreciation of property, plant and equipment	1,078	983
Impairment of property, plant and equipment	1,996	-
Interest expense	2,607	2,952
<u>Credits</u>		
Amortisation of deferred capital grant	(6)	(4)
Gain on disposal of property, plant and equipment	(17)	(5)
Foreign exchange (gain) / loss	(148)	83
Interest income	(880)	(545)
Write-back of trade payables	(706)	-

ZHONGXIN FRUIT AND JUICE LIMITED

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

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	Audited	Unaudited	Audited	Audited
	As at 30 June 2019 RMB'000	As at 30 June 2018 RMB'000	1 July 2017 RMB'000	As at 30 June 2019 RMB'000	As at 30 June 2018 RMB'000	1 July 2017 RMB'000
ASSETS						
Non-Current Assets						
Investment in joint venture	6,347	10,031	10,437	6,347	10,451	10,451
Investment in subsidiaries	-	-	-	48,223	48,223	48,223
Property, plant and equipment	60,463	66,287	64,780	9	14	2
Land use rights	7,065	7,248	7,438	-	-	-
	73,875	83,566	82,655	54,579	58,688	58,676
Current Assets						
Cash and cash equivalents	2,229	6,189	6,510	1,965	4,028	6,230
Other receivables	3,866	2,194	2,446	-	-	-
Receivable from subsidiaries	-	-	-	27,718	27,787	68,951
Receivable from a related party	-	294	-	-	-	-
Receivable from immediate holding company	57,948	42,034	34,745	-	-	-
Prepayments	595	2,130	1,312	-	-	-
Inventories	9,033	11,215	7,098	-	-	-
	73,671	64,056	52,111	29,683	31,815	75,181
Total Assets	147,546	147,622	134,766	84,262	90,503	133,857
EQUITY AND LIABILITIES						
Equity attributable to owners of the Company						
Share capital	252,093	252,093	252,093	252,093	252,093	252,093
Contributed surplus	22,000	22,000	22,000	-	-	-
Statutory and other reserves	5,949	4,156	3,040	-	-	-
Accumulated losses	(198,112)	(200,477)	(204,719)	(169,203)	(162,995)	(119,406)
Equity attributable to owners of the Company	81,930	77,772	72,414	82,890	89,098	132,687
Non-Current Liability						
Deferred capital grant	224	230	-	-	-	-
Current Liabilities						
Trade and other payables	4,919	8,669	8,915	1,372	1,405	1,170
Payable to a related party	-	20	-	-	-	-
Payable to immediate holding company	60,467	58,925	53,437	-	-	-
Deferred capital grant	6	6	-	-	-	-
Borrowings	-	2,000	-	-	-	-
	65,392	69,620	62,352	1,372	1,405	1,170
Total Liabilities	65,616	69,850	62,352	1,372	1,405	1,170
Total Equity and Liabilities	147,546	147,622	134,766	84,262	90,503	133,857

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

	Group		Group	
	Unaudited		Audited	
	As at 30 June 2019		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	-	-	-	-
Total	-	-	-	2,000

Details of any collateral

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

There were no borrowings and debt securities as at 30 June 2019.

ZHONGXIN FRUIT AND JUICE LIMITED

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

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 FY 30 June 2019 RMB'000	Audited FY 30 June 2018 RMB'000
Cash flows from operating activities		
Profit before income tax	4,168	5,435
Adjustments for :		
Allowance for doubtful debts	2	-
Amortisation of deferred capital grant	(6)	(4)
Amortisation of land use rights	183	190
Depreciation of property, plant and equipment	1,078	983
Impairment of property, plant and equipment	1,996	-
Share of loss from equity accounted joint venture	3,684	406
Gain on disposal of property, plant and equipment	(17)	(5)
Write-back of trade payables	(706)	-
Interest expense	2,607	2,952
Interest income	(880)	(545)
Operating cash flows before working capital changes	12,109	9,412
Inventories	6,640	112
Other receivables	(1,672)	252
Receivable from immediate holding company	(15,914)	(7,289)
Prepayments	1,535	(818)
Trade and other payables	(3,046)	(246)
Cash flows from operations	(348)	1,423
Income tax paid	(10)	(77)
Net cash (used in) / generated from operating activities	(358)	1,346
Cash flows for investing activities		
Interest received	880	545
Proceed from government grant	-	240
Proceed from disposal of property, plant and equipment	292	269
Receivables from related parties	294	(294)
Purchase of property, plant and equipment	(1,983)	(6,983)
Net cash used in investing activities	(517)	(6,223)
Cash flows (for) / from financing activities		
Advances from immediate holding company	1,542	5,488
Payable to related parties	(20)	20
Interest paid	(2,607)	(2,952)
(Repayment of) / Proceed from borrowings	(2,000)	2,000
Net cash (used in) / generated from financing activities	(3,085)	4,556
Net change in cash and cash equivalents	(3,960)	(321)
Cash and cash equivalents at beginning of financial year	6,189	6,510
Cash and cash equivalents at end of financial year	2,229	6,189

ZHONGXIN FRUIT AND JUICE LIMITED

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

- 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
Group					
Current Year:					
Balance as at 1 July 2018	252,093	22,000	4,156	(200,477)	77,772
Total comprehensive income for the financial year	-	-	-	4,158	4,158
Transfer to statutory and other reserves representing transaction with equity holders as owners of the Group	-	-	1,793	(1,793)	-
Balance as at 30 June 2019	252,093	22,000	5,949	(198,112)	81,930
Previous Year:					
Balance as at 1 July 2017	252,093	22,000	3,040	(204,719)	72,414
Total comprehensive income for the financial year	-	-	-	5,358	5,358
Balance as at 30 June 2018	252,093	22,000	3,040	(199,361)	77,772
Company					
Current Year:					
Balance as at 1 July 2018	252,093	-	-	(162,995)	89,098
Total comprehensive loss for the financial year	-	-	-	(6,208)	(6,208)
Balance as at 30 June 2019	252,093	-	-	(169,203)	82,890
Previous Year:					
Balance as at 1 July 2017	252,093	-	-	(119,406)	132,687
Total comprehensive loss for the financial year	-	-	-	(43,589)	(43,589)
Balance as at 30 June 2018	252,093	-	-	(162,995)	89,098

- 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 31 December 2018 to 30 June 2019.

As at 30 June 2019 and 30 June 2018, there were no outstanding options, convertibles, treasury shares or subsidiary holdings in the Company.

ZHONGXIN FRUIT AND JUICE LIMITED

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

- 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.**

The total number of issued shares excluding treasury shares	As at 30 June 2019	As at 30 June 2018
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 financial year 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 financial year 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.**

On 1 January 2018, the Group has adopted the new financial reporting framework, Singapore Financial Reporting Standards (International) ("SFRS(I)") and has prepared its first set of financial information under SFRS(I) for the financial year ended 30 June 2019. In adopting SFRS(I), the Group is required to apply all of the specific transition requirements in SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International). The adoption of these new SFRS(I)s did not result in any substantial change to the Group's accounting policies nor has any material impact on the financial statements of the Group for the financial year ended 30 June 2019.

ZHONGXIN FRUIT AND JUICE LIMITED

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

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.

Earnings per ordinary shares of the Group for the period based on profit after income tax :	Unaudited FY 30 June 2019	Audited FY 30 June 2018
(a) Based on the weighted average number of ordinary shares in issue (basic) (RMB cents)	0.39	0.51
(b) On a fully diluted basis (RMB cents)	0.39	0.51
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 30 June 2019 and 30 June 2018.

**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.**

	Unaudited As at 30 June 2019	Audited As at 30 June 2018
<u>Group</u>		
Net assets value per ordinary share based on total number of issued shares excluding treasury shares (RMB cents)	7.76	7.37
<u>Company</u>		
Net assets value per ordinary share based on total number of issued shares excluding treasury shares (RMB cents)	7.85	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 ordinary shares as at 30 June 2019 and 30 June 2018.

ZHONGXIN FRUIT AND JUICE LIMITED

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

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 financial year ended 30 June 2019 ("FY2019") as compared to the financial year ended 30 June 2018 ("FY2018").

Consolidated Statement of Comprehensive Income

Revenue

During FY2019 and FY2018, the Group had recorded the following:

	Group	
	FY2019	FY2018
Procurement (Metric tonnes, "MT"):		
- Apples	62,269	93,876
- Semi processed apple juice	248	3,952
- Pears	-	4,751
Total	62,517	102,579
Production (MT):		
- Apple juice	10,871	18,629
- Fructose	240	914
Total	11,112	19,542
Sales volume (MT):		
- Apple juice	11,102	18,565
- Pear juice	-	313
- Fructose	297	609
Total	11,399	19,487
Average selling price (RMB per MT):		
- Fruit juice	8,712	6,178
- Fructose	8,343	7,390

In FY2019, some major apple producing areas in China suffered from frost disasters and the harvesting of apples was adversely affected, resulting in higher raw material costs as compared to FY2018. Furthermore, in compliance with relevant national environmental regulations, the Group switched from the use of coal-fired boilers to the use of natural gas in all our operational plants at the beginning of the production season. These led to an increase in production costs in FY2019 as compared to FY2018. The subsidiary of the Company, Yuncheng Zhongxin Fruit and Juice Company Limited ("Yuncheng Zhongxin"), after deliberating on the escalating costs and market situation, took the decision to reduce the level of production in FY2019 to cater to the market demand.

The shortage of quality raw materials in the procurement region of a subsidiary, Xuzhou Zhongxin Fruit and Juice Company Limited ("Xuzhou Zhongxin") persisted in FY2019. The Management decided to continue the suspension of Xuzhou Zhongxin's operations which has taken place since the 2nd 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.

ZHONGXIN FRUIT AND JUICE LIMITED

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

The average selling price of concentrated fruit juices increased about 41% in FY2019 as compared to FY2018 due to higher raw material and production costs and the shortage of international supply of concentrated fruit juices. The higher selling price has caused the demand for the concentrated fruit juices to fall and resulted in lower sales volume in FY2019. The Group recorded a lower revenue of RMB100.0 million in FY2019, representing a decrease of RMB21.9 million or 18% from the revenue of RMB121.9 million in FY2018.

Similarly, the fructose production and sales in FY2019 declined as the escalating prices have dampened the market demand. The Management will continuously monitor the market situation and will consider increasing the fructose production when the market demand for fructose recovers.

Yuncheng Zhongxin suspended pear juice production in FY2019 due to shortage of quality pears. The Management will continuously monitor the market situation and will consider resuming production in due course.

Gross profit

As a result of lower revenue, gross profit decreased from RMB28.2 million in FY2018 to RMB26.1 million in FY2019.

The higher average selling price of the concentrated fruit juice and fructose outweighed the increase in costs of sale contributed by higher cost of raw materials and energy costs due to the switching to the usage of gas for energy to fuel its production plant. Hence, the Group was able to record slightly higher gross profit margin of 26% in FY2019 as compared to 23% in FY2018.

Other income

Other income increased by approximately RMB1.3 million in FY2019 mainly attributable to the following reasons:

- foreign exchange gain of RMB0.15 million recognised by the Company in FY2019;
- increase in the interest income of RMB0.3 million in relation to the 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 with SDIC Zhonglu; and
- write-back of trade payables of RMB0.7 million in FY2019, which were recorded by Yuncheng Zhongxin and Xuzhou Zhongxin as the amounts were assessed to be no longer payable due to the passage of time.

Expenses

The decrease in distribution expenses was mainly attributable to lower transportation and warehousing costs incurred in FY2019 due to lower volume of trade and production.

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

The decrease in finance costs was mainly due to the lower level of average advances throughout the financial year made by the Group's immediate holding company, SDIC Zhonglu in FY2019 to the Group to finance the working capital requirements.

ZHONGXIN FRUIT AND JUICE LIMITED

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

Share of loss from equity-accounted joint venture

In FY2019, the Group's share of loss from its equity-accounted joint venture, Linyi SDIC Zhonglu Fruit Juice Co., Ltd ("Linyi") was approximately RMB3.7 million as compared to RMB0.4 million in FY2018. The loss from Linyi was higher in FY2019 mainly due to the following:

- lower revenue recorded due to lower sales volume in FY2019 attributed to the decreased production volume in Linyi due to the shortage of raw materials as a result of the frost disasters suffered in some major apple producing areas in China; and
- RMB2.2 million impairment of property, plant and equipment recognised by Linyi relating to its coal-fired boilers and the ancillary facilities resulted from the switching of the use of coal-fired boilers to the use of natural gas at its operational plants.

Profit for the financial year

Due to the reasons explained above, the Group recorded a lower profit after taxation of RMB4.2 million in FY2019 as compared to RMB5.4 million in FY2018.

Statements of Financial Position

The comparative for both the assets and liabilities are based on the Group's financial statements as at 30 June 2019 and 30 June 2018.

Non-current assets decreased by approximately RMB9.7 million from RMB83.6 million as at 30 June 2018 to RMB73.9 million as at 30 June 2019 mainly due to the following:

Investment in joint venture

Investment in joint venture decreased by approximately RMB3.7 million due to a lower carrying amount of the investment in Linyi following the share of loss in FY2019.

Property, plant and equipment ("PPE")

PPE decreased by approximately RMB5.8 million due to an impairment amounting to RMB2.0 million and depreciation charges of RMB5.5 million, partially offset by addition of PPE amounted to RMB2.0 million.

The impairment of PPE in FY2019 consist 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 FY2019 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 FY2019 was an amount of approximately RMB4.5 million (FY2018: RMB4.2 million) that was absorbed into inventories costing while the remaining amount of RMB1.1 million (FY2018: RMB1.0 million) was charged to distribution and administrative expenses.

Land use rights

Land use rights decreased by RMB0.2 million due to the amortisation for the FY2019.

ZHONGXIN FRUIT AND JUICE LIMITED

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

Current assets increased by approximately RMB9.6 million from RMB64.1 million as at 30 June 2018 to RMB73.7 million as at 30 June 2019 mainly due to the following:

Other receivables

Other receivables increased by approximately RMB1.7 million mainly attributable to security deposit paid by Yuncheng Zhongxin to its natural gas supplier. The security deposit can be utilised to offset the cost of Yuncheng Zhongxin's natural gas usage after the third year.

In FY2019, Xuzhou Zhongxin received RMB50,000 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

Receivable from immediate holding company increased by approximately RMB15.9 million due to increase in trade amount owing by SDIC Zhonglu as the sales made to SDIC Zhonglu in FY2019 were mostly made towards the last quarter of the financial year which remained uncollected as at 30 June 2019.

Prepayments

Prepayments decreased by approximately RMB1.5 million as compared to 30 June 2018 due to lesser prepaid expenses made to suppliers in view of the lower level of production activities.

Inventories

Inventories decreased by approximately RMB2.2 million mainly due to lower carrying levels of finished goods as at 30 June 2019 in line with the lower level of production in the financial year.

Non-current Liability - Deferred capital grant

Deferred capital grant relates to government grant received by Yuncheng Zhongxin for its factory's water treatment upgrading work. The grant is recognised as deferred capital grant and amortised over the useful life of the plant.

Current liabilities decreased by approximately RMB4.2 million from RMB69.6 million as at 30 June 2018 to RMB65.4 million as at 30 June 2019 mainly due to the following:

Trade and other payables

Trade and other payables decreased by approximately RMB3.8 million mainly due to decrease in trade payables as a result of lower level of procurement in FY2019.

Payable to immediate holding company

Payable to immediate holding company increased by approximately RMB1.5 million mainly due to advances received for the funding of the Group's working capital in the financial year.

Borrowings

Yuncheng Zhongxin repaid the bank loan of RMB2.0 million in FY2019.

ZHONGXIN FRUIT AND JUICE LIMITED

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

Positive working capital

As at 30 June 2019, the Group's current assets exceeded its current liabilities by RMB8.3 million, an improvement of RMB13.9 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.

Statement of Cash Flows

Net cash used in operating activities of RMB0.4 million in FY2019 was mainly due to the positive cash flows before working capital changes and decrease in inventories, offset by the increase in the amount receivable from immediate holding company.

Net cash used in investing activities of RMB0.5 million in FY2019 was mainly due to the addition of PPE of RMB2.0 million, offset by the interest received of RMB0.9 million and proceed from disposal of PPE of RMB0.3 million.

Net cash used in financing activities of RMB3.1 million in FY2019 was mainly due to repayment of borrowings of RMB2.0 million and interest paid of RMB2.6 million, offset by the advances from immediate holding company of RMB1.5 million.

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 of the concentrated fruit juices in FY2019 despite the decline in the volume of sales to the customers and remained profitable in the financial year. The Group takes an optimistic view of the growth prospects of 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.

The Group 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. FY2019 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.

The Group 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 continuously strengthen the operational efficiencies and internal controls to efficiently deal with operational and financial risks to improve the performance and viability of the business. For instance, the Group will actively explore ways to leverage on the unutilised assets of Xuzhou Zhongxin due to the Temporary Suspension; to augment the capacity requirement of the active operating plants to improve cash flow and profitability. The Group will also look into supporting the customers' initiatives to develop and broaden geographical market reach and product distribution channels, thus minimising the external pressure brought by the Sino-US trade friction as the US demand for China produce will face stiff competition from Europe which has enjoyed good harvest of apples in the new pressing season.

The Group is optimistic on the future demand for the concentrated fruit juice market and will remain flexible to address challenges and opportunities as they arise.

ZHONGXIN FRUIT AND JUICE LIMITED

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

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 FY2019.

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

Not applicable.

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

Not applicable. No dividend was declared for FY2018.

(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 and the reason(s) for the decision.

No dividend has been declared or is recommended for FY2019 as the Company currently does not have retained profits available for the declaration of a dividend and the Board of Directors deems it appropriate to conserve funds for the Group's business activities and working capital requirement.

ZHONGXIN FRUIT AND JUICE LIMITED

(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) Interest received from SDIC Zhonglu for excess cash deposit by the Group in relation to financing from SDIC Zhonglu Group. 879	(b) Sales by the Group to SDIC Zhonglu and its group of companies. 99,597
		(c) Interest paid by a subsidiary of the Company with respect to the working capital provided by SDIC Zhonglu. 2,569
Total	879	102,166

During the FY2019, the Group made payment of approximately RMB433,000 to a subsidiary of SDIC Zhonglu for lease of certain storage facility, which falls within the exception set out under Rule 916(1) of the Catalist Rules.

Transaction (a) was, in aggregate, below 3% of the Group's latest audited net tangible assets.

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

Save as disclosed above, there are no other IPTs above S\$100,000 in FY2019.

- 14. 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.

ZHONGXIN FRUIT AND JUICE LIMITED

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

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

- 15. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

There is no breakdown by business segments as the Group's operations and sales in the financial year were predominantly related to fruit juice concentrate.

There is no breakdown by geographical markets as the Group's operations and customers (including those customers secured via SDIC Zhonglu) are all based in People's Republic of China.

- 16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

Please refer to paragraph 8 above for details.

- 17. A breakdown of sales.**

Breakdown of sales	Group		Increase / (Decrease) %
	Unaudited	Audited	
	FY 30 June 2019 RMB'000	FY 30 June 2018 RMB'000	
<u>First half year</u>			
(a) Sales	47,080	52,829	(11%)
(b) Operating profit / (loss) after tax before deducting non-controlling interest	1,067	(4,258)	(125%)
<u>Second half year</u>			
(c) Sales	52,913	69,040	(23%)
(d) Operating profit after tax before deducting non-controlling interest	3,091	9,616	(68%)

Sales in the second half year of FY2019 increased by approximately 12% as compared to the first half year of FY2019 as the Group experienced higher demand for its products in the second half year of FY2019.

The Group recognised an impairment of PPE amounted to RMB2.0 million in the first half year of FY2019 resulted in the lower operating profit in the first half year of FY2019 as compared to second half year of FY2019.

- 18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not applicable. No dividend has been declared or recommended for FY2019 and FY2018.

ZHONGXIN FRUIT AND JUICE LIMITED

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

- 19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

The Company confirms that there is no person occupying a managerial position in the Group who is a relative of a director, chief executive officer, or substantial shareholder of the Company pursuant to Rule 704(10).

BY ORDER OF THE BOARD

Zhang Jiming
Chairman

28 August 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") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. This announcement has not been examined or approved by the SGX-ST.

The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Joseph Au, Associate Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).