

**ZHONGXIN FRUIT AND JUICE LIMITED**  
**AND ITS SUBSIDIARIES**  
**(Company Registration Number: 200208395H)**

Unaudited Condensed Interim Financial Statements  
For the Six Months ended 31 December 2021

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**ZHONGXIN FRUIT AND JUICE LIMITED**(Incorporated in Singapore)  
(Co. Reg. No. 200208395H)**A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Note	Group		Increase / (Decrease) %
		6 months ended		
		31 Dec 2021	31 Dec 2020	
		RMB'000	RMB'000	
<b>Revenue</b>	4	80,631	80,814	(0.2%)
Cost of sales		(62,264)	(65,161)	(4.4%)
<b>Gross profit</b>		<b>18,367</b>	<b>15,653</b>	17.3%
<u>Other income:</u>				
Other operating income		29,100	1,328	n.m.
<u>Expenses:</u>				
Distribution expenses		(7,140)	(7,566)	(5.6%)
Administrative expenses		(4,137)	(10,802)	(61.7%)
Finance costs		(2,270)	(2,441)	(7.0%)
Share of profit from equity accounted joint venture		676	7	n.m.
<b>Profit / (Loss) before income tax</b>	6	<b>34,596</b>	<b>(3,821)</b>	n.m.
Income tax expense	7	(444)	(336)	32.1%
<b>Profit / (Loss) after income tax</b>		<b>34,152</b>	<b>(4,157)</b>	n.m.
<b>Other comprehensive income for the period, net of tax</b>				
<b>Item that will not be reclassified to profit or loss</b>				
Defined benefit plan remeasurements		(10)	-	
<b>Total comprehensive income / (loss) for the period attributable to owners of the Company</b>		<b>34,142</b>	<b>(4,157)</b>	n.m.
<b>Earnings / (Loss) per share for earnings / (loss) attributable to owners of the Company (RMB cents):</b>				
- Basic	9	3.24	(0.39)	
- Diluted	9	3.24	(0.39)	

n.m. - not meaningful

**ZHONGXIN FRUIT AND JUICE LIMITED**(Incorporated in Singapore)  
(Co. Reg. No. 200208395H)**B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**

	Note	Group		Company	
		As at		As at	
		31 Dec 2021	30 June 2021	31 Dec 2021	30 June 2021
		RMB'000	RMB'000	RMB'000	RMB'000
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Investment in joint venture		11,191	10,515	6,348	6,347
Investment in subsidiaries		-	-	19,473	19,473
Property, plant and equipment	11	47,488	48,975	1	1
Right of use assets		6,599	6,692	-	-
		<u>65,278</u>	<u>66,182</u>	<u>25,822</u>	<u>25,821</u>
<b>Current Assets</b>					
Cash and cash equivalents		3,973	4,733	2,796	4,113
Notes receivables	12	20,000	-	-	-
Trade receivables	13	618	12	-	-
Other receivables	14	3,206	5,430	34	-
Receivable from subsidiaries		-	-	20,487	20,567
Receivable from a related party		7	6	-	-
Receivable from immediate holding company		62,883	69,433	-	-
Prepayments		-	437	-	-
Inventories		68,045	48,607	-	-
		<u>158,732</u>	<u>128,658</u>	<u>23,317</u>	<u>24,680</u>
<b>Total Assets</b>		<b>224,010</b>	<b>194,840</b>	<b>49,139</b>	<b>50,501</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the Company</b>					
Share capital	15	252,093	252,093	252,093	252,093
Contributed surplus		22,000	22,000	-	-
Statutory and other reserves		8,263	6,606	-	-
Accumulated losses		(166,808)	(199,293)	(203,063)	(202,767)
<b>Equity attributable to owners of the Company</b>		<b>115,548</b>	<b>81,406</b>	<b>49,030</b>	<b>49,326</b>
<b>Non-Current Liability</b>					
Deferred capital grant		209	212	-	-
<b>Current Liabilities</b>					
Trade and other payables	16	5,274	5,200	109	1,175
Payable to immediate holding company		53,176	98,119	-	-
Deferred capital grant		6	6	-	-
Borrowings	17	49,353	9,897	-	-
Provision for taxation		444	-	-	-
		<u>108,253</u>	<u>113,222</u>	<u>109</u>	<u>1,175</u>
<b>Total Liabilities</b>		<b>108,462</b>	<b>113,434</b>	<b>109</b>	<b>1,175</b>
<b>Total Equity and Liabilities</b>		<b>224,010</b>	<b>194,840</b>	<b>49,139</b>	<b>50,501</b>

**ZHONGXIN FRUIT AND JUICE LIMITED**(Incorporated in Singapore)  
(Co. Reg. No. 200208395H)**C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

	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 2021	252,093	22,000	6,606	(199,293)	81,406
<i>Total comprehensive income for the financial period</i>					
Profit for the period	-	-	-	34,152	34,152
Other comprehensive income for the period	-	-	-	(10)	(10)
Total comprehensive income for the financial period	-	-	-	34,142	34,142
Transfer to statutory and other reserves representing transaction with equity holders as owners of the Group	-	-	1,657	(1,657)	-
Balance as at 31 December 2021	252,093	22,000	8,263	(166,808)	115,548
<b>Previous Year:</b>					
Balance as at 1 July 2020	252,093	22,000	6,606	(195,422)	85,277
Loss for the period, representing total comprehensive loss for the financial period	-	-	-	(4,157)	(4,157)
Balance as at 31 December 2020	252,093	22,000	6,606	(199,579)	81,120
<b>Company</b>					
<b>Current Year:</b>					
Balance as at 1 July 2021	252,093	-	-	(202,767)	49,326
Loss for the period, representing total comprehensive loss for the financial period	-	-	-	(296)	(296)
Balance as at 31 December 2021	252,093	-	-	(203,063)	49,030
<b>Previous Year:</b>					
Balance as at 1 July 2020	252,093	-	-	(188,470)	63,623
Loss for the period, representing total comprehensive loss for the financial period	-	-	-	(801)	(801)
Balance as at 31 December 2020	252,093	-	-	(189,271)	62,822

**ZHONGXIN FRUIT AND JUICE LIMITED**(Incorporated in Singapore)  
(Co. Reg. No. 200208395H)**D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Operating activities</b>		
Profit / (Loss) before income tax	34,596	(3,821)
Adjustments for :		
Allowance for doubtful debts	-	870
Amortisation of deferred capital grant	(3)	(3)
Amortisation of land use rights	93	93
Depreciation of property, plant and equipment	530	534
Impairment of property, plant and equipment	-	4,192
Inventories written down	-	44
Share of profit from equity accounted joint venture	(676)	(7)
Interest expense	2,270	2,441
Interest income	(1,538)	(1,041)
Operating cash flows before working capital changes	35,272	3,302
Inventories	(17,689)	(68,040)
Notes receivables	(20,000)	18,000
Trade and other receivables	1,618	(7,598)
Receivable from immediate holding company	6,550	34,470
Prepayments	437	2,317
Trade and other payables	64	(498)
<b>Net cash generated from / (used in) operating activities</b>	<b>6,252</b>	<b>(18,047)</b>
<b>Investing activities</b>		
Interest received	1,538	1,041
Purchase of property, plant and equipment	(792)	(3,191)
<b>Net cash generated from / (used in) investing activities</b>	<b>746</b>	<b>(2,150)</b>
<b>Financing activities</b>		
Net (repayment to) / advances from immediate holding company	(44,943)	46,907
Net advances to a related party	(1)	-
Interest paid	(1,783)	(2,441)
Net drawdown / (repayment) of borrowings	38,969	(8,382)
<b>Net cash (used in) / generated from financing activities</b>	<b>(7,758)</b>	<b>36,084</b>
Net change in cash and cash equivalents	(760)	15,887
Cash and cash equivalents at beginning of the financial period	4,733	7,139
<b>Cash and cash equivalents at end of the financial period</b>	<b>3,973</b>	<b>23,026</b>

## ZHONGXIN FRUIT AND JUICE LIMITED

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### E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

#### 1. Corporate Information

Zhongxin Fruit and Juice Limited (“the Company”) is a limited liability company incorporated and domiciled in Singapore and whose shares are publicly traded on the Catalist of the Singapore Exchange Securities Trading Limited. The immediate holding company is SDIC Zhonglu Fruit Juice Co., Ltd (“SDICZL”) which is incorporated in the People’s Republic of China (“PRC”) and listed on the Shanghai Stock Exchange. The Company’s ultimate holding company is State Development and Investment Corporation (“SDIC”), a state-owned enterprise in PRC.

These condensed interim consolidated financial statements as at and for the six months ended 31 December 2021 comprise the Company and its subsidiaries (collectively, “the Group”).

The principal activity of the Company is that of investment holding. The principal activity of the subsidiaries is production of fruit juice concentrate.

#### 2. Basis of Preparation

The condensed interim financial statements for the six months ended 31 December 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the financial year ended 30 June 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Chinese Renminbi, which is the Group’s and the Company’s functional currency. All financial information presented in Chinese Renminbi has been rounded to the nearest thousand (RMB’000), unless otherwise indicated.

##### 2.1. New and amended standards adopted by the Group

The Group has adopted all the applicable new and revised SFRS(I)s and the related Interpretations to SFRS(I)s (“SFRS(I)INT”) that are effective for the current financial period. The adoption of the new / revised SFRS(I)s and SFRS(I)INT did not result in any substantial change to the Group’s and the Company’s accounting policies and has no significant impact on the financial statements for the current financial reporting period or prior financial years.

##### 2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The significant judgements made by Management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2021.

## ZHONGXIN FRUIT AND JUICE LIMITED

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### 2. Basis of Preparation (cont'd)

#### 2.2. Use of judgements and estimates (cont'd)

##### **Critical judgements made in applying the Group's accounting policies**

Management is of the opinion that there are no significant judgements made in applying accounting estimates and policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### **Critical accounting estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

##### a) Allowance for expected credit losses ("ECLs") of trade receivables

The Group determines the ECL by using the individual (debtor-by-debtor) basis as at the balance sheet dates in view that there were only 1 trade debtor as at 31 December 2021 (2 trade debtors as at 30 June 2021) and the trade amount owing by immediate holding company constituted approximately 99.03% (30 June 2021: 99.98%) of the trade receivables' balances.

There is critical judgement used in the measurement of lifetime expected credit losses and forward-looking assumptions. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The carrying amounts of trade receivables at the end of the reporting period was RMB 63,501,000 (30 June 2021: RMB 69,445,000).

##### b) Useful lives of property, plant and equipment

The estimates for the useful lives and related depreciation charges for property, plant and equipment is based on commercial and production factors which could change significantly as a result of technical innovations and competitor actions in response to severe market conditions. The depreciation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete or non-strategic assets that have been abandoned or sold.

Management estimates the useful lives of property, plant and equipment to be within 3 to 40 years. The carrying amount of the Group's property, plant and equipment as at the end of reporting period was RMB 47,488,000 (30 June 2021: RMB 48,975,000). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets. Therefore future depreciation charges could be revised.



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### 2. Basis of Preparation (cont'd)

#### 2.2. Use of judgements and estimates (cont'd)

##### Critical accounting estimates and assumptions (cont'd)

c) Allowances for slow moving inventories

Management carries out an inventory review at the end of each reporting period to determine any need for allowance for slow moving inventory items. Management estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. In the event of significant changes to the current market conditions, possible changes in these estimates could result in revisions to the carrying amount of the inventories. The carrying amount of the inventories at the end of the reporting period is RMB 68,045,000 (30 June 2021: RMB 48,607,000).

d) Income tax

The Group has exposure to income taxes in PRC jurisdictions. Significant judgement and estimation process is involved in determining the Group's provision for income taxes. There are certain transactions and computations for which the determination of ultimate tax is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax computation in the financial year in which such determination is made. The carrying amount of income tax liabilities at the end of the reporting period is RMB 444,000 (30 June 2021: Nil).

### 3. Seasonal Operations

The fruit juice industry is cyclical in nature as raw materials such as apples are in season during the second half of the calendar year (i.e. the first half of the Group's financial year). To ensure the freshness of the ingredients, generally, the Group procures the raw materials and produces the fruit juice during the first half of the financial year for its full year's supply.

The sales of the Group are not affected significantly by seasonal or cyclical factors during the financial period.

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### 4. Segment and Revenue Information

Revenue represents the value of the goods sold to customers, net of sales discount and returns.

#### a) Business segment

The Group is organised into the following main business segments:

- Production of fruit juice concentrate

This relates to the production of concentrated juice mainly for export to multinational F&B corporations in the United States, European Union, South Africa, Canada, Japan and Australia via SDICZL. The concentrated juice produced is used as an ingredient in packet juice drinks, soft drinks, cider, yoghurt and candies.

- Processing of garlic

This relates to the processing, sorting, packaging and distribution of garlic.

These operating segments are reported in a manner consistent with internal reporting provided to management who are responsible for allocating resources and assessing performance of the operating segments. Segment performance is monitored based on revenue and gross profit or loss. Selling expenses, administrative expenses, finance costs, assets and liabilities are managed on a legal entity basis.

Information regarding the Group's reportable segments is presented in the tables below.

	Group				Group			
	6 months ended 31 Dec 2021				6 months ended 31 Dec 2020			
	Fruit juice production	Garlic processing	Inter-segment eliminations	Group	Fruit juice production	Garlic processing	Inter-segment eliminations	Group
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue								
- External	80,631	-	-	80,631	74,655	6,159	-	80,814
- Inter segment	-	-	-	-	-	5,280	(5,280)	-
Total	80,631	-	-	80,631	74,655	11,439	(5,280)	80,814
Gross profit	18,367	-	-	18,367	15,460	193	-	15,653

#### b) Geographical information

There is no breakdown by geographical markets as the Group's operations are all based in PRC and the Group's customers are predominantly based in PRC.

#### c) Disaggregation of revenue

	Group	
	6 months ended	
	31 Dec 2021	31 Dec 2020
	RMB'000	RMB'000
Revenue:		
Concentrated apple juice	76,479	71,435
Apple essence	328	-
Fructose	3,006	2,293
Processed garlic	-	6,159
Sales of component parts	818	927
	<b>80,631</b>	<b>80,814</b>
Timing of transfer of goods or service:		
At a point in time	80,631	80,814
Over time	-	-
	<b>80,631</b>	<b>80,814</b>

**ZHONGXIN FRUIT AND JUICE LIMITED**(Incorporated in Singapore)  
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Set out below is an overview of the financial assets and financial liabilities of the Group and of the Company as at 31 December 2021 and 30 June 2021:

	<b>Group</b>		<b>Company</b>	
	<b>As at 31 December 2021</b>	<b>As at 30 June 2021</b>	<b>As at 31 December 2021</b>	<b>As at 30 June 2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Financial assets</b>				
<b>Loans and receivables</b>				
Cash and cash equivalents	3,973	4,733	2,796	4,113
Notes receivables	20,000	-	-	-
Trade receivables	618	12	-	-
Other receivables	3,206	5,430	34	-
Receivable from subsidiaries	-	-	20,487	20,567
Receivable from a related party	7	6	-	-
Receivable from immediate holding company	62,883	69,433	-	-
<b>Financial liabilities at amortised cost</b>				
Trade and other payables	5,274	5,200	109	1,175
Payable to immediate holding company	53,176	98,119	-	-
Borrowings	49,353	9,897	-	-

**6. Profit / (Loss) Before Income Tax****6.1. Significant Items**

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Income</b>		
Amortisation of deferred capital grant	(3)	(3)
Interest income	(1,538)	(1,041)
Receipt of settlement payment	(27,500)	-
<b>Expenses</b>		
Allowance for doubtful debts	-	870
Amortisation of land use rights	93	93
Depreciation of property, plant and equipment	530	534
Foreign exchange loss	53	503
Impairment of property, plant and equipment	-	4,192
Interest expense	2,270	2,441
Inventories written down	-	44

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### 6. Profit / (Loss) Before Income Tax (cont'd)

#### 6.2. Related Party Transactions

In addition to the related party information disclosed elsewhere in the condensed interim financial statements, the Group entered into the following significant transactions with related parties that took place at terms agreed between the parties during the financial period:

	Group	
	6 months ended	
	31 Dec 2021	31 Dec 2020
	RMB'000	RMB'000
<u>The Group</u>		
Sales to SDICZL and its group of companies	79,212	73,518
Purchases from SDICZL and its group of companies	539	1,275
Payment to a related party for lease of certain storage facility	290	386
Interest paid with respect to loans and advances provided by SDICZL	1,772	1,891
Interest received from SDICZL with respect to the interest charged on the outstanding trade receivable due from SDICZL	1,531	1,005
<u>Joint venture of the Group</u>		
Sales to SDICZL and its group of companies*	20,797	25,583
Purchases from SDICZL and its group of companies*	6	100
Payment to a related party for lease of certain storage facility*	68	39
Interest paid with respect to loans and advances provided by SDICZL*	190	442

\* Based on the effective equity interest of the Group in the joint venture of 50%.

### 7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	6 months ended	
	31 Dec 2021	31 Dec 2020
	RMB'000	RMB'000
Current income tax		
- for the financial period	444	336

### 8. Dividends

There is no dividend declared for the 6 months ended 31 December 2021.

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### 9. Earnings / (Loss) per Share

Earnings / (Loss) per ordinary shares of the Group for the period based on profit / (loss) after income tax :	Group	
	6 months ended	
	31 Dec 2021	31 Dec 2020
	RMB'000	RMB'000
(a) Based on the weighted average number of ordinary shares in issue (basic) (RMB cents)	3.24	(0.39)
(b) On a fully diluted basis (RMB cents)	3.24	(0.39)
Weighted average number of ordinary shares in issue	1,055,459,201	1,055,459,201

The basic and fully diluted earnings / (loss) per share were the same as there were no potentially dilutive ordinary shares in issue as at 31 December 2021 and 31 December 2020.

### 10. Net Asset Value

	Group		Company	
	As at 31 Dec 2021	As at 30 June 2021	As at 31 Dec 2021	As at 30 June 2021
Net assets value per ordinary share based on total number of issued shares excluding treasury shares (RMB cents)	10.95	7.71	4.65	4.67

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 31 December 2021 and 30 June 2021.

### 11. Property, Plant and Equipment

During the six months ended 31 December 2021, the Group acquired assets amounting to approximately RMB792,000 (31 December 2020: RMB 3,191,000).

There were no assets disposals or write off in the six months ended 31 December 2021 and 31 December 2020.

### 12. Notes Receivables

	Group	
	As at 31 December 2021	As at 30 June 2021
	RMB'000	RMB'000
Current:		
Notes receivables	20,000	-

The notes receivables as at 31 December 2021 represent the promissory notes issued by SDICZL in favour of the Group as consideration for trade purchases and the partial settlement of trade receivables owing by SDICZL to the Group. In turn, the Group has endorsed these promissory notes in favour of financial institutions to obtain working capital financing for the Group.

**ZHONGXIN FRUIT AND JUICE LIMITED**(Incorporated in Singapore)  
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Trade receivables are unsecured, non-interest bearing and are generally on 30 to 60 days terms. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

Aging of the Group's trade receivables at the end of the reporting period was as follows:

	Group	
	As at 31 December 2021 RMB'000	As at 30 June 2021 RMB'000
Less than 30 days	618	12
Within 31 to 60 days	-	-
More than 61 days	-	-
Total	618	12

**14. Other Receivables**

	Group		Company	
	As at 31 December 2021 RMB'000	As at 30 June 2021 RMB'000	As at 31 December 2021 RMB'000	As at 30 June 2021 RMB'000
Other receivables:				
- Non-related parties	2,052	1,937	34	-
Less: Allowance for doubtful debts	(917)	(917)	-	-
Net other receivables	1,135	1,020	34	-
Deposits	1,200	1,200	-	-
Value-added-tax receivable	871	3,210	-	-
	3,206	5,430	34	-

The Group's other receivables that were impaired as at 31 December 2021 and 30 June 2021 and the movements of the allowance accounts used to record the impairment were as follows:

	Group	
	As at 31 December 2021 RMB'000	As at 30 June 2021 RMB'000
Movement in allowance accounts:		
At 1 July	917	120
Addition during the period/year	-	797
At 31 December / 30 June	917	917

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**14. Other Receivables (cont'd)**

The net other receivables at the end of the reporting period were mainly represented as follow:

	Note	Group		Company	
		As at	As at	As at	As at
		31 December 2021 RMB'000	30 June 2021 RMB'000	31 December 2021 RMB'000	30 June 2021 RMB'000
Amount due from Fengxian authority	(a)	795	795	-	-
Deposits	(b)	1,200	1,200	-	-
Value-added-tax receivable		871	3,210	-	-
Advance payment for electricity charges	(c)	72	62	-	-
Others	(d)	268	163	34	-
		<b>3,206</b>	<b>5,430</b>	<b>34</b>	<b>-</b>

Notes:

- (a) This relates to the amount receivable from the relevant authority of Fengxian county in compensation for the compulsory acquisition of a portion of the land and structure adjoining Baiyi river belonging to Xuzhou Zhongxin for the purpose of creating a garden belt for Baiyi river. The amount owing is unsecured, interest free and with no fixed term of repayment.
- (b) This relates to the security deposit paid by Yuncheng Zhongxin Fruit and Juice Company Limited ("Yuncheng Zhongxin") in financial year ended 30 June 2018 to its natural gas supplier. The security deposit can be utilised to offset the cost of Yuncheng Zhongxin's natural gas usage in fourth year onwards i.e. in the financial year ending 30 June 2022 onwards.
- (c) This relates to the advance payment of the electricity charges to the local authority.
- (d) Others mainly comprise of advance payments for insurance, training costs and contribution to national pension scheme / defined contribution plan.

Other receivables at the end of the reporting period were interest-free, unsecured and not past due.

The Board has assessed and is satisfied with the recoverability of the other receivables.

**ZHONGXIN FRUIT AND JUICE LIMITED**(Incorporated in Singapore)  
(Co. Reg. No. 200208395H)**15. Share Capital**

	Group and Company			
	As at 31 December 2021		As at 30 June 2021	
	No of shares	RMB'000	No of shares	RMB'000
Issued and fully paid:				
<u>Ordinary shares</u>				
At beginning and end of financial period/year	1,055,459,201	252,093	1,055,459,201	252,093

All issued shares are fully paid. The Company has one class of ordinary shares, which carry one vote per share without restriction. The holders of the ordinary shares are entitled to receive dividends as and when declared by the Company. The ordinary shares have no par value.

There was no change in the Company's issued share capital of 1,055,459,201 ordinary shares amounting to RMB252,093,405 from 30 June 2021 to 31 December 2021.

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

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

As at 31 December 2021, 30 June 2021 and 31 December 2020, there were no outstanding options, convertibles, treasury shares or subsidiary holdings in the Company.

**16. Trade and Other Payables**

	Note	Group		Company	
		As at 31 December 2021	As at 30 June 2021	As at 31 December 2021	As at 30 June 2021
		RMB'000	RMB'000	RMB'000	RMB'000
Trade payables:					
- Non-related parties	(a)	3,007	1,489	-	-
Other payables:					
- Non-related parties	(b)	519	1,432	79	779
Accrued salaries, bonus and directors' remunerations		1,429	1,522	30	396
Accrued tax expense	(c)	319	757	-	-
		<u>5,274</u>	<u>5,200</u>	<u>109</u>	<u>1,175</u>



**ZHONGXIN FRUIT AND JUICE LIMITED**(Incorporated in Singapore)  
(Co. Reg. No. 200208395H)**16. Trade and Other Payables (cont'd)**Notes:

(a) Aging of the Group's trade payables at the end of the reporting period was as follows:

	Group	
	As at 31 December 2021 RMB'000	As at 30 June 2021 RMB'000
Less than 30 days	3,002	1,187
Within 31 to 60 days	-	70
Within 61 to 90 days	-	-
Within 91 to 120 days	5	-
More than 121 days	-	232
<b>Total</b>	<b>3,007</b>	<b>1,489</b>

The trade payables are interest free in nature.

(b) The other payables at the end of the reporting period were mainly represented as follow:

	Note	Group		Company	
		As at 31 December 2021 RMB'000	As at 30 June 2021 RMB'000	As at 31 December 2021 RMB'000	As at 30 June 2021 RMB'000
Refundable deposits for outsourced contract manufacturer	(i)	-	200	-	-
Accruals:					
- Internal and external audit services		-	462	-	462
- Outsourced financial reporting services		-	250	-	250
Others	(ii)	519	520	79	67
		<b>519</b>	<b>1,432</b>	<b>79</b>	<b>779</b>

(i) This relates to the refundable deposit payable to the outsourced contract manufacturer. The deposit was received as a guarantee for juice quality assurance. There was no such deposit as at 31 December 2021.

(ii) Others mainly comprise of custom fee and freight payable, amount payable to other non-trade suppliers, insurance payable, other accrued expenses and miscellaneous payables.

Other payables at the end of the reporting period were interest-free, unsecured and not past due.

(c) This relates to value added tax payable and other operating tax payable pertaining to city maintenance and construction tax, education supplementary tax, local education supplementary tax, property tax and water tax.

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### 17. Borrowings

	Group			
	As at 31 December 2021		As at 30 June 2021	
	Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
<u>Repayable in one year or less, or on demand</u>				
- Trade financing	19,786	-	-	-
- Short-term bank loans	-	29,567	-	9,897
<u>Repayable after one year</u>				
- Bank borrowings	-	-	-	-
Total	19,786	29,567	-	9,897

#### Details of any collateral

The trade financing of approximately RMB19.8 million outstanding as at 31 December 2021 was secured by the endorsement of notes receivables. The Group has obtained working capital financing by endorsing the notes receivables issued by its immediate holding company, SDICZL to the Group in favour of financial institutions.

The short-term bank loans of approximately RMB29.6 million outstanding as at 31 December 2021 were unsecured and were obtained for working capital purpose.

The short term bank loan of RMB9.9 million outstanding as at 30 June 2021 had matured and fully settled in the financial period.

### 18. Subsequent Events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

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### F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C

#### 1. Review

The condensed consolidated statements of financial position of Zhongxin Fruit and Juice Limited and its subsidiaries as at 31 December 2021 and the related condensed consolidated statement of profit or loss and comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

#### 1A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

#### 2. Review of performance of the Group

**Review for the performance of the Group for the six months financial period ended 31 December 2021 ("HY2022") as compared to the six months financial period ended 31 December 2020 ("HY2021").**

#### **Consolidated Statement of Comprehensive Income**

##### Revenue

During HY2022 and HY2021, the Group had recorded the following:

	Group	
	HY2022	HY2021
Procurement (Metric tonnes, "MT"):		
- Apples	110,406	99,416
- Pears	1,645	-
- Processed apple juice	77	7,827
- Raw garlic	-	876
Total	112,128	108,119
Production (MT):		
- Apple juice	16,432	15,097
- Pear juice	202	-
- Fructose	1,504	521
- Essence	271	-
- Processed garlic	-	932
Total	18,409	16,550
Sales volume (MT):		
- Apple juice	12,110	10,586
- Fructose	369	259
- Essence	48	-
- Processed garlic	-	1,015
Total	12,527	11,860
Average selling price (RMB per MT):		
- Fruit juice	6,316	6,748
- Fructose	8,139	8,842
- Essence	6,842	-
- Processed garlic	-	6,069

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### 2. Review of performance of the Group (cont'd)

#### Production

The COVID-19 pandemic situation in People's Republic of China ("PRC") is generally under control in the second half calendar year of 2021 and did not materially affect the procurement and production operations of the fruit juice concentrate business of the Group in HY2022.

The fruit juice industry is cyclical in nature as raw materials such as apples are in season during the first half of the Group's financial year. To ensure the freshness of the ingredients, generally, the Group procures and produces the fruit juice during the first half of the financial year for its full year's supply. Similar in the past, Yuncheng Zhongxin carried on the production of fruit juice concentrate business in the financial period despite the challenging operating environment and dwindling global market demand for juices at the outset of the COVID-19 pandemic. This is to ensure that it has sufficient inventories on hand to capture sales opportunities and to cater to market demand as and when necessary when the fruit juice market rebounded.

Average procurement costs of raw materials in HY2022 was lower as compared to HY2021 mainly due to the ample supply of apples and pears in the market attributed to the favourable harvesting in the current season. Yuncheng Zhongxin leveraged on this trend of lower procurement costs during the financial period to procure sufficient volume of apples and pears raw materials for its production requirement.

Although supplies are available in other region, the shortage of quality apple raw materials in the procurement region of a subsidiary, Xuzhou Zhongxin Fruit and Juice Company Limited ("Xuzhou Zhongxin") persisted in HY2022. Xuzhou Zhongxin has also suspended its garlic processing activities since the end of financial year ended 30 June 2021 due to the low demand for garlic in the main importing countries mainly attributable to rising shipping costs and trade and shipping disruptions. After considering the costs and benefits, including the anticipated volume of business, manpower and other resources that need to be put in place to resume the production, the Management decided that it may not be commercially viable for Xuzhou Zhongxin to resume its fruit juice production and garlic processing activities and has taken the decision to continue the suspension of Xuzhou Zhongxin's fruit juice concentrate production and garlic processing.

#### Revenue

The Group recorded higher sales volume in HY2022 due to higher customer demand for concentrated fruit juice. Concurrently, the average selling price of concentrated fruit juices decreased by approximately 6% in HY2022 as compared to HY2021 due to the volatility in market price attributed to intense market competition. Due to the above reasons, revenue remained relatively constant at approximately RMB80.6 million in HY2022 and RMB80.8 million in HY2021.

Yuncheng Zhongxin increased its fructose and fruit essence production in HY2022 in view of the availability of satisfactory raw materials' supply. The sales of fructose and fruit essence constituted less than 5% of the Group's sales in HY2022.

#### Gross profit

Gross profit margin improved from 19% in HY2021 to 23% in HY2022 mainly due to the lower average procurement cost of raw materials and higher operating efficiency resulted from the implementation of cost control measures. This resulted in the gross profit to improve by approximately 17% or RMB2.7 million.

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### 2. Review of performance of the Group (cont'd)

#### Other income

The increase in other income was mainly due to the settlement payment of RMB27.5 million received from the ultimate beneficial controlling shareholder of Sanmenxia Tianyu Investment Co., Ltd in relation to the matters as disclosed in the announcement issued by the Company on 15 October 2021.

#### Expenses

The decrease in administrative expenses was mainly due to the following:

- a) Absence of RMB4.2 million impairment of property, plant and equipment recognised by Yuncheng Zhongxin and Xuzhou Zhongxin in HY2021 relating to idle plant and machineries. There was no such impairment in HY2022.
- b) Absence of RMB0.9 million allowance for doubtful debts recognised by Xuzhou Zhongxin in HY2021. There was no allowance for doubtful debts in HY2022.
- c) Lower foreign exchange loss by approximately RMB0.5 million.

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

In HY2022, the Group shared the profit from its equity-accounted joint venture, Linyi SDIC Zhonglu Fruit Juice Co., Ltd ("Linyi SDIC") of approximately RMB0.7 million as compared to approximately RMB7,000 in HY2021. Linyi's financial performance improved in HY2022 as compared to HY2021 mainly due to improvement in gross profit and gross profit margin attributed to decrease in average procurement costs, as well as the lower administrative expenses recorded due to better cost management.

#### Income Tax Expense

Income tax expense in HY2022 was related to the income tax on non-operating income that was not exempted from tax.

#### Profit / (Loss) for the financial period

Due to the reasons explained above, the Group recorded profit after taxation of RMB34.2 million in HY2022 as compared to loss after taxation of RMB4.2 million in HY2021.

### **Statements of Financial Position**

The comparative for both the assets and liabilities are based on the Group's financial statements as at 31 December 2021 and 30 June 2021.

**Non-current assets** decreased by approximately RMB0.9 million from RM66.2 million as at 30 June 2021 to RMB65.3 million as at 31 December 2021 mainly due to the following:

#### Investment in Joint Venture

Investment in joint venture increased by approximately RMB0.7 million due to a higher carrying amount of the investment in Linyi following the share of profit in HY2022.

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### 2. Review of performance of the Group (cont'd)

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

PPE decreased by approximately RMB1.5 million mainly due to depreciation charges of RMB2.3 million offset by an addition amounted to RMB0.8 million.

Included in the depreciation charges in HY2022 was an amount of RMB1.8 million (HY2021: RMB2.2 million) that was absorbed into inventories costing while the remaining amount of RMB 0.5 million (HY2021: RMB0.5 million) was charged to distribution and administrative expenses.

**Current assets** increased by approximately RMB30.0 million from RMB128.7 million as at 30 June 2021 to RMB158.7 million as at 31 December 2021 mainly due to the following:

#### Notes receivables

The notes receivables of RMB20.0 million as at 31 December 2021 were related to the promissory notes issued by SDICZL in favour of the Group as consideration for trade purchases and the partial settlement of trade receivables owing by SDICZL to the Group. In turn, the Group has endorsed these promissory notes in favour of financial institutions to obtain working capital financing for the Group.

#### Trade receivables

Trade receivables of approximately RMB618,000 as at 31 December 2021 were in relation to outstanding accounts receivables' balances for fruit juice sales.

#### Other receivables

Other receivables decreased by approximately RMB2.2 million mainly attributable to the decrease in value added tax receivable.

#### Receivable from a related party

Receivable from a related party as at 31 December 2021 relates to payment made on behalf of a related party.

#### Receivable from immediate holding company

Receivable from immediate holding company decreased by approximately RMB6.6 million due to the decrease in trade amount owing by SDICZL through the issuance of the promissory notes for the partial settlement as explained above.

#### Prepayments

There were no prepayments recorded as at 31 December 2021 as compared to RMB0.4 million as at 30 June 2021 as the Group had completed most of its procurement requirements in HY2022 and there was no prepaid expenses required as at the balance sheet date.

#### Inventories

Inventories increased by approximately RMB19.4 million as the Group carried higher level of finished goods as at 31 December 2021 as compared to 30 June 2021.

Due to the seasonality nature of the raw materials, the Group has procured the materials and produced 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 2021 which were mainly represented by fruit juice concentrate finished goods.

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### 2. Review of performance of the Group (cont'd)

**Current liabilities** decreased by approximately RMB4.9 million from RMB113.2 million as at 30 June 2021 to RMB108.3 million as at 31 December 2021. This was mainly due to the following:

#### Payable to immediate holding company

Payable to immediate holding company decreased by approximately RMB44.9 million mainly due to the repayment of outstanding loans and advances during the financial period.

#### Borrowings

The borrowings of RMB49.4 million as at 31 December 2021 were in relation to the following:

- a) Trade financing of approximately RMB19.8 million obtained by Yuncheng Zhongxin, secured by the endorsement of the notes receivables from SDICZL in favour of Yuncheng Zhongxin. The trade financing was obtained from financial institutions to support the Group's working capital requirements. The proceeds were primarily utilised for the purchase of raw materials; and
- b) Short-term bank loans of approximately RMB29.6 million obtained by Yuncheng Zhongxin from a financial institution for working capital purpose.

### **Statement of Cash Flows**

Net cash generated from operating activities of RMB6.3 million in HY2022 was mainly due to the positive cash flows before working capital changes and the changes in working capital outflow largely from the increase in inventories and notes receivables, offset by the decrease in receivable from immediate holding company.

Net cash generated from investing activities of RMB0.7 million in HY2022 was mainly attributable to interest received and partially offset by purchase of PPE.

Net cash used in financing activities of RMB7.8 million in HY2022 was mainly due to repayment to immediate holding company and offset by drawdown of borrowings.

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

No specific forecast or prospect statement had been previously disclosed to shareholders.

### 4. 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.

Amid the global COVID-19 pandemic, the situation in PRC currently is generally under control. The PRC economy has rebounded and is slowly recovering. While the rising community cases due to resurgence of new Covid variants brought pressures to the government authorities and the communities, the situation is largely manageable. Amid the uncertainty concerning the slowing down of the virus spread, the Group will stay vigilant on the development of the situation and will be responsive to act on any unforeseen circumstances due from the unpredictable impact of the disease.

With the various preventive measures taken by the PRC authorities and implemented by the Management, the Group has been continuing its operations with minimal disruptions, taking extra precautionary measures for all its employees and to ensure the Group's continued compliance with the government's directives. Barring unforeseeable circumstances, the Group does not anticipate the impact of the COVID-19 pandemic to be material to the supply chain and production operations of the Group in the coming financial year.

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Notwithstanding the consistent sales performance and that the Group returned to profitability in HY2022, the Group expects the growth prospects of the international fruit juice market to remain challenging in the mid to long term due to economic slowdown as a result of prolonged impact of the COVID-19 pandemic. The recovery of market demand had been inconsistent and unpredictable, and the road to recovery of the COVID-19 pandemic globally is expected to take longer than expected, although the Group is hopeful that the situation may ease in the next financial year. The performance of the Group in the near term is depending on factors including the speed of recovery of the global economies and consumer spending as well as the outcome of the US and China trade tension. The Group strives to continue driving the growth in sales by expanding the product offerings to cater to the evolving consumer tastes and needs, and also supporting the end customers' initiatives to develop and broaden geographical market reach and product distribution channels.

Leveraging on the resources and network of its parent company, SDICZL, the Group aims to strengthen its foothold in the concentrated fruit juice industry and broaden its product varieties to include other value-added products.

The Group will continue to actively undertake social responsibilities, including looking into increasing its investment in environmental treatment facilities, stepping up efforts on environmental governance in accordance with relevant national environment protection policies in order to ensure continued sustainable development of the Group, as well as to further enhance the Group's brand reputation and competitiveness.

### 5. Dividend

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

No dividend was declared for HY2022.

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

Not applicable.

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

Not applicable. No dividend was declared for HY2021.

**(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.



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**6. 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 HY2022 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.

**7. Interested person transactions**

**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.**

<b>Name of Interested Person</b>	<b>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)</b>	<b>Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) (RMB'000)</b>
<b>SDICZL and its associates</b>	(a) Purchases by the Group from SDICZL and its group of companies  539	(b) Sales by the Group to SDICZL and its group of companies  79,212
		(c) Interest income received by a subsidiary of the Company from SDICZL with respect to the interest charged on the outstanding trade receivable due from SDICZL  1,531
		(d) Interest paid by a subsidiary of the Company with respect to the working capital provided by SDICZL  1,772
<b>Total</b>	<b>539</b>	<b>82,515</b>

SDICZL is a controlling shareholder of the Company.

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

Transactions (b) to (d) were conducted pursuant to the renewed shareholders' mandate for IPTs approved by shareholders on 29 October 2021.

Save as disclosed above, there are no other IPTs above S\$100,000 in HY2022.

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### 8. 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 2021 to be false or misleading in any material aspect.

Tham Mun Chee  
Director

Xiaoyao  
Director

### 9. 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.

### 10. Changes in the composition of the Group

There were no changes in the composition of the Group in HY2022.

## BY ORDER OF THE BOARD

Tham Mun Chee  
Lead Independent Director

10 February 2022

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, UOB Kay Hian Pte. Ltd. (the "Sponsor") for compliance with the relevant rules 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 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 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.*