

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

Unaudited Condensed Interim Financial Statements  
For the Six Months and Full Year ended 30 June 2021

## TABLE OF CONTENTS

A	Condensed interim consolidated statement of profit or loss and other comprehensive income	3
B	Condensed interim statements of financial position	4
C	Condensed interim statements of changes in equity	5
D	Condensed interim consolidated statement of cash flows	6
E	Notes to the condensed interim consolidated financial statements	7
F	Other information required by Listing Rule Appendix 7C	21

# 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					
		6 months ended		Increase / (Decrease) %	12 months ended		Increase / (Decrease) %
		30 June 2021 RMB'000	30 June 2020 RMB'000		30 June 2021 RMB'000	30 June 2020 RMB'000	
<b>Revenue</b>	4	50,021	34,420	45%	130,835	174,515	(25%)
Cost of sales		(41,590)	(27,379)	52%	(106,751)	(152,217)	(30%)
<b>Gross profit</b>		<b>8,431</b>	<b>7,041</b>	20%	<b>24,084</b>	<b>22,298</b>	8%
<u>Other income:</u>							
Other operating income		1,229	1,859	(34%)	2,557	3,467	(26%)
<u>Expenses:</u>							
Distribution expenses		(3,513)	(3,353)	5%	(11,079)	(11,493)	(4%)
Administrative expenses		(2,892)	(4,797)	(40%)	(13,694)	(9,151)	50%
Finance costs		(3,219)	(2,334)	38%	(5,660)	(4,722)	20%
Share of profit from equity accounted joint venture		217	1,683	(87%)	224	3,944	(94%)
<b>Profit / (Loss) before income tax</b>	6	<b>253</b>	<b>99</b>	156%	<b>(3,568)</b>	<b>4,343</b>	(182%)
Income tax expense	7	33	(846)	(104%)	(303)	(996)	(70%)
<b>Profit / (Loss) for the period</b>		<b>286</b>	<b>(747)</b>	(138%)	<b>(3,871)</b>	<b>3,347</b>	(216%)
Other comprehensive income for the period, net of tax		-	-		-	-	
<b>Total comprehensive income / (loss) for the period attributable to owners of the Company</b>		<b>286</b>	<b>(747)</b>	(138%)	<b>(3,871)</b>	<b>3,347</b>	(216%)
<b>Earnings / (Loss) per share for earnings / (loss) attributable to owners of the Company (RMB cents):</b>							
- Basic	9	0.03	(0.07)		(0.37)	0.32	
- Diluted	9	0.03	(0.07)		(0.37)	0.32	

**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	
		30 June 2021	30 June 2020	30 June 2021	30 June 2020
		RMB'000	RMB'000	RMB'000	RMB'000
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Investment in joint venture		10,515	10,291	6,347	6,347
Investment in subsidiaries		-	-	19,473	31,402
Property, plant and equipment	11	48,975	54,986	1	4
Right of use assets		6,692	6,879	-	-
		<u>66,182</u>	<u>72,156</u>	<u>25,821</u>	<u>37,753</u>
<b>Current Assets</b>					
Cash and cash equivalents		4,733	7,139	4,113	6,489
Notes receivables	12	-	50,000	-	-
Trade receivables		12	-	-	-
Other receivables	13	5,430	3,654	-	-
Receivable from subsidiaries		-	-	20,567	20,647
Receivable from a related party		6	-	-	-
Receivable from immediate holding company		69,433	52,695	-	-
Prepayments		437	2,317	-	-
Inventories		48,607	20,644	-	-
		<u>128,658</u>	<u>136,449</u>	<u>24,680</u>	<u>27,136</u>
<b>Total Assets</b>		<b>194,840</b>	<b>208,605</b>	<b>50,501</b>	<b>64,889</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the Company</b>					
Share capital	14	252,093	252,093	252,093	252,093
Contributed surplus		22,000	22,000	-	-
Statutory and other reserves		6,606	6,606	-	-
Accumulated losses		(199,293)	(195,422)	(202,767)	(188,470)
<b>Equity attributable to owners of the Company</b>		<b>81,406</b>	<b>85,277</b>	<b>49,326</b>	<b>63,623</b>
<b>Non-Current Liability</b>					
Deferred capital grant		212	218	-	-
<b>Current Liabilities</b>					
Trade and other payables	15	5,200	6,549	1,175	1,266
Payable to immediate holding company		98,119	66,933	-	-
Deferred capital grant		6	6	-	-
Borrowings	16	9,897	49,622	-	-
		<u>113,222</u>	<u>123,110</u>	<u>1,175</u>	<u>1,266</u>
<b>Total Liabilities</b>		<b>113,434</b>	<b>123,328</b>	<b>1,175</b>	<b>1,266</b>
<b>Total Equity and Liabilities</b>		<b>194,840</b>	<b>208,605</b>	<b>50,501</b>	<b>64,889</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 2020	252,093	22,000	6,606	(195,422)	85,277
Loss for the year, representing total comprehensive loss for the financial year	-	-	-	(3,871)	(3,871)
Balance as at 30 June 2021	252,093	22,000	6,606	(199,293)	81,406
<b>Previous Year:</b>					
Balance as at 1 July 2019	252,093	22,000	5,949	(198,112)	81,930
Profit for the year, representing total comprehensive income for the financial year	-	-	-	3,347	3,347
Transfer to statutory and other reserves representing transaction with equity holders as owners of the Group	-	-	657	(657)	-
Balance as at 30 June 2020	252,093	22,000	6,606	(195,422)	85,277
<b>Company</b>					
<b>Current Year:</b>					
Balance as at 1 July 2020	252,093	-	-	(188,470)	63,623
Loss for the year, representing total comprehensive loss for the financial year	-	-	-	(14,297)	(14,297)
Balance as at 30 June 2021	252,093	-	-	(202,767)	49,326
<b>Previous Year:</b>					
Balance as at 1 July 2019	252,093	-	-	(186,024)	66,069
Loss for the year, representing total comprehensive loss for the financial year	-	-	-	(2,446)	(2,446)
Balance as at 30 June 2020	252,093	-	-	(188,470)	63,623

**ZHONGXIN FRUIT AND JUICE LIMITED**

(Incorporated in Singapore)

(Co. Reg. No. 200208395H)

**D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Group</b>	
	<b>12 months ended</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Operating activities</b>		
(Loss) / Profit before income tax	(3,568)	4,343
Adjustments for :		
Allowance for doubtful debts	870	-
Amortisation of deferred capital grant	(6)	(6)
Amortisation of land use rights and intangible assets	187	186
Depreciation of property, plant and equipment	1,065	1,075
Impairment of property, plant and equipment	4,192	-
Inventories written down	44	-
Loss on disposal of property, plant and equipment	-	86
Share of profit from equity accounted joint venture	(224)	(3,944)
Write-back of trade payables	-	(31)
Interest expense	4,966	4,613
Interest income	(2,185)	(2,724)
Operating cash flows before working capital changes	5,341	3,598
Inventories	(24,046)	(7,282)
Notes receivables	50,000	(50,000)
Trade and other receivables	(2,658)	212
Receivable from immediate holding company	(16,738)	5,253
Prepayments	1,880	(1,722)
Trade and other payables	(1,349)	1,661
Cash flows from / (used in) operations	12,430	(48,280)
Income tax paid	(303)	(996)
<b>Net cash generated from /(used in) operating activities</b>	<b>12,127</b>	<b>(49,276)</b>
<b>Investing activities</b>		
Interest received	2,185	2,724
Proceeds from disposal of property, plant and equipment	-	1,197
Purchase of property, plant and equipment	(3,207)	(1,210)
<b>Net cash (used in) / generated from investing activities</b>	<b>(1,022)</b>	<b>2,711</b>
<b>Financing activities</b>		
Net advances from immediate holding company	31,186	6,466
Net advances to a related party	(6)	-
Interest paid	(4,966)	(3,217)
Net (repayment) / drawdown of borrowings	(39,725)	48,226
<b>Net cash (used in) / generated from financing activities</b>	<b>(13,511)</b>	<b>51,475</b>
Net change in cash and cash equivalents	(2,406)	4,910
Cash and cash equivalents at beginning of the financial year	7,139	2,229
<b>Cash and cash equivalents at end of the financial year</b>	<b>4,733</b>	<b>7,139</b>

## ZHONGXIN FRUIT AND JUICE LIMITED

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

### 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 30 June 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 30 June 2021 have been prepared in accordance with Singapore Financial Reporting Standard (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 2020.

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 year. 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.

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 2020.

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

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimates, which have the most significant effect on the amounts recognised in the condensed interim financial statements.

##### **a) Impairment of assets**

In determining whether an asset is impaired or whether the event previously causing the impairment no longer exists, the Group has to exercise judgement in the area of asset impairment, particularly in assessing: (i) whether an event has occurred that may affect the asset value, or such an asset value has been in existence, (ii) whether the carrying value of an asset can be supported either by the net present value of future cash flows, which are estimated based upon the continued use of the asset or the fair value less costs of disposal, based on independent professional valuation report; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate, or the appropriate key assumptions used by the independent external professional valuer in their valuation report. Changing the assumptions selected by management to determine the level of impairment could have a material effect on the net recoverable amount used in the impairment test.

#### **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 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are discussed below:

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

The Group determines the ECL by using debtor by debtor basis, since the trade receivables of the Group as at 30 June 2021 substantially comprised amount owing by immediate holding company.

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 69,445,000 (2020: RMB 52,695,000).



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

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

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

##### **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 48,975,000 (2020: RMB 54,986,000). 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.

##### **c) Impairment of non-financial assets – Property, Plant and Equipment**

Management has assessed that there is an indication of impairment of the Group's property, plant and equipment as some of the plant and machineries are idle.

As such, management has performed an impairment test on the property, plant and equipment. The recoverable amount of property, plant and equipment was determined using fair value less costs of disposal which involves significant judgements and estimations by management. Based on the fair value less costs of disposal test by management, the Group has provided impairment of property, plant and equipment amounting to approximately RMB 4,192,000 in the financial year.

The recoverable amounts of the property, plant and equipment can be affected by factors which are largely beyond the control of the Group, for example: stability of the industry and market demand; technical, technological, commercial and other types of obsolescence; actions by competitors or potential competitors; and changes in the legal and other regulatory framework. The recoverable amounts of the property, plant and equipment could change significantly as a result of changes in the assumptions and inputs used in determining the market value.

The estimated recoverable amounts are determined based on fair value less costs of disposal. The valuation techniques are based on the replacement cost method using unobservable inputs (residual ratio) applied by an independent valuer. The significant assumptions included the market replacement cost of similar property, plant and equipment taking into account factors like construction, transport and installation cost, and the residual ratio used to discount the market replacement cost. An increase in residual ratio would result in an increase in the fair value of the property, plant and equipment.

As at 30 June 2021, the carrying amount of the property, plant and equipment of the Group amounted to RMB 48,975,000 (2020: RMB 54,986,000).

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

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

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

d) Impairment of cost of investment in a subsidiary

As at 30 June 2021, the carrying amount of the Company's cost of investment in a subsidiary, Xuzhou Zhongxin Fruit and Juice Company Limited ("Xuzhou Zhongxin") amounted to RMB 11,929,469 (2020: RMB 11,929,469). Management has assessed that there is an indication of impairment of carrying amount of investment in the subsidiary as Xuzhou Zhongxin had incurred loss during the financial year and recorded net liabilities position as at the balance sheet date.

As such, management has performed an impairment test on the cost of investment in the subsidiary. The recoverable amount of the investment in subsidiary was determined using value in use which involves significant judgements and estimations by management. Based on the value in use test by management, the Company provides an allowance for impairment of RMB11,929,469 (2020: Nil) for the carrying amount of investment in the subsidiary.

The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years. In estimating the future cash flows, management has taken into account past performance, market expectation and the Group's marketing plan.

The carrying amount of the investment in subsidiaries at the end of the reporting period of the Company is RMB 19,473,000 (2020: RMB31,402,000).

e) 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 48,607,000 (2020: RMB 20,644,000).

## **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.

**ZHONGXIN FRUIT AND JUICE LIMITED**

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

**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 30 June 2021				6 months ended 30 June 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	47,259	2,762	-	50,021	34,420	-	-	34,420
- Inter segment	-	-	-	-	-	-	-	-
Total	47,259	2,762	-	50,021	34,420	-	-	34,420
Gross profit	7,958	473	-	8,431	7,041	-	-	7,041

  

	Group				Group			
	12 months ended 30 June 2021				12 months ended 30 June 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	121,914	8,921	-	130,835	174,515	-	-	174,515
- Inter segment	-	5,280	(5,280)	-	-	-	-	-
Total	121,914	14,201	(5,280)	130,835	174,515	-	-	174,515
Gross profit	23,418	666	-	24,084	22,298	-	-	22,298

**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.

**ZHONGXIN FRUIT AND JUICE LIMITED**

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

**4. Segment and Revenue Information (cont'd)****c) Disaggregation of revenue**

	Group			
	6 months ended		12 months ended	
	30 June 2021 RMB'000	30 June 2020 RMB'000	30 June 2021 RMB'000	30 June 2020 RMB'000
Revenue:				
Concentrated apple juice	42,655	30,423	114,090	168,944
Apple essence	-	278	-	278
Fructose	4,496	3,771	6,789	4,718
Processed garlic	2,762	-	8,921	-
Sales of component parts	108	(52)	1,035	575
	<b>50,021</b>	<b>34,420</b>	<b>130,835</b>	<b>174,515</b>
Timing of transfer of goods or service:				
At a point in time	50,021	34,420	130,835	174,515
Over time	-	-	-	-
	<b>50,021</b>	<b>34,420</b>	<b>130,835</b>	<b>174,515</b>

**d) A breakdown of sales**

Breakdown of sales	Group		Increase / (Decrease) %
	30 June 2021 RMB'000	30 June 2020 RMB'000	
<b><u>First half year</u></b>			
(a) Sales	80,814	140,095	(42%)
(b) Operating (loss) / profit after tax before deducting non-controlling interest:	(4,157)	4,094	(202%)
<b><u>Second half year</u></b>			
(c) Sales	50,021	34,420	45%
(d) Operating profit / (loss) after tax before deducting non-controlling interest	286	(747)	(138%)
<b><u>Total</u></b>			
Sales	130,835	174,515	(25%)
Operating (loss) / profit after tax before deducting non-controlling interest	(3,871)	3,347	(216%)

Sales in the second half year of FY2021 decreased by approximately 38% as compared to the first half year of FY2021 as the Group experienced lower demand for its products in the second half year of FY2021 which resulted in the lower sales volume of concentrated fruit juice.

The Group recorded operating loss in the first half year of FY2021 as compared to the operating profit in the second half year of FY2021 mainly due to impairment of property, plant and equipment relating to idle plant and machineries recorded in the first half year of FY2021.

**ZHONGXIN FRUIT AND JUICE LIMITED**

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

**5. Financial assets and financial liabilities**

Set out below is an overview of the financial assets and financial liabilities of the Group and of the Company as at 30 June 2021 and 30 June 2020:

	<b>Group</b>		<b>Company</b>	
	<b>As at 30 June 2021 RMB'000</b>	<b>As at 30 June 2020 RMB'000</b>	<b>As at 30 June 2021 RMB'000</b>	<b>As at 30 June 2020 RMB'000</b>
<b>Financial assets</b>				
<b>Loans and receivables</b>				
Cash and cash equivalents	4,733	7,139	4,113	6,489
Trade receivables	12	-	-	-
Other receivables	5,430	3,654	-	-
Receivable from subsidiaries	-	-	20,567	20,647
Notes receivables	-	50,000	-	-
Receivable from a related party	6	-	-	-
Receivable from immediate holding company	69,433	52,695	-	-
<b>Financial liabilities at amortised cost</b>				
Trade and other payables	5,200	6,549	1,175	1,266
Payable to immediate holding company	98,119	66,933	-	-
Borrowings	9,897	49,622	-	-

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

	<b>Group</b>			
	<b>6 months ended</b>		<b>12 months ended</b>	
	<b>30 June 2021 RMB'000</b>	<b>30 June 2020 RMB'000</b>	<b>30 June 2021 RMB'000</b>	<b>30 June 2020 RMB'000</b>
<b>Income</b>				
Amortisation of deferred capital grant	(3)	(3)	(6)	(6)
Interest income	(1,144)	(1,763)	(2,185)	(2,724)
Write-back of trade payables	-	(31)	-	(31)
<b>Expenses</b>				
Allowance for doubtful debts	-	-	870	-
Amortisation of land use rights and intangible assets	94	93	187	186
Depreciation of property, plant and equipment	531	538	1,065	1,075
Foreign exchange loss	178	135	681	93
Impairment of property, plant and equipment	-	-	4,192	-
Interest expense	2,525	2,225	4,966	4,613
Inventories written down	-	-	44	-
Loss on disposal of property, plant and equipment	-	590	-	676

**ZHONGXIN FRUIT AND JUICE LIMITED**

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

**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		12 months ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	RMB'000	RMB'000	RMB'000	RMB'000
<u>The Group</u>				
Sales to SDICZL and its group of companies	49,389	32,486	122,907	171,477
Sales of machineries to related parties	-	528	-	685
Purchases from SDICZL and its group of companies	-	1,599	1,275	1,855
Payment to a related party for lease of certain storage facility	-	73	386	145
Interest paid with respect to loans and advances provided by SDICZL	1,880	1,354	3,771	3,217
Interest paid with respect to the short-term borrowings secured from a related party	-	882	-	1,396
Interest received from SDICZL with respect to the interest charged on the outstanding trade receivable due from SDICZL	1,131	1,722	2,136	2,658
<u>Joint venture of the Group</u>				
Sales to SDICZL and its group of companies*	13,091	17,068	38,674	53,669
Purchases from SDICZL and its group of companies*	-	129	100	1,591
Payment to a related party for lease of certain storage facility*	47	19	86	101
Interest paid with respect to loans and advances provided by SDICZL*	-	281	442	921
Interest received from SDICZL with respect to the interest charged on the outstanding trade receivable due from SDICZL	155	-	155	-

\* 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		12 months ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	RMB'000	RMB'000	RMB'000	RMB'000
Current income tax				
- under provision in the previous financial year	-	846	-	846
- for the financial year	(33)	-	303	150
	<b>(33)</b>	<b>846</b>	<b>303</b>	<b>996</b>

## ZHONGXIN FRUIT AND JUICE LIMITED

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

### 8. Dividends

There is no dividend declared for the 6 months and full year ended 30 June 2021.

### 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		12 months ended	
	30 June 2021 RMB'000	30 June 2020 RMB'000	30 June 2021 RMB'000	30 June 2020 RMB'000
(a) Based on the weighted average number of ordinary shares in issue (basic) (RMB cents)	0.03	(0.07)	(0.37)	0.32
(b) On a fully diluted basis (RMB cents)	0.03	(0.07)	(0.37)	0.32
Weighted average number of ordinary shares in issue	1,055,459,201	1,055,459,201	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 30 June 2021 and 30 June 2020.

### 10. Net Asset Value

	Group		Company	
	As at 30 June 2021	As at 30 June 2020	As at 30 June 2021	As at 30 June 2020
<b>Group</b>				
Net assets value per ordinary share based on total number of issued shares excluding treasury shares (RMB cents)	7.71	8.08	4.67	6.03

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 2021 and 30 June 2020.

### 11. Property, Plant and Equipment

During the six months ended 30 June 2021, the Group acquired assets amounting to approximately RMB16,000 (30 June 2020: RMB281,000).

During the six months ended 30 June 2020, the Group disposed / wrote off assets amounting to approximately RMB717,000. There were no assets disposals or write off in the six months ended 30 June 2021.

**ZHONGXIN FRUIT AND JUICE LIMITED**

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

**12. Notes Receivables**

	Group	
	As at 30 June 2021 RMB'000	As at 30 June 2020 RMB'000
Current:		
Notes receivables	-	50,000

The notes receivables as at 30 June 2020 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 a finance company who is a related party of SDICZL to obtain working capital financing for the Group.

The notes receivables have matured in September 2020.

**13. Other Receivables**

	Group	
	As at 30 June 2021 RMB'000	As at 30 June 2020 RMB'000
Other receivables:		
- Non-related parties	1,937	2,242
Less: Allowance for doubtful debts	(917)	(120)
Net other receivables	1,020	2,122
Deposits	1,200	1,500
Value-added-tax receivable	3,210	32
	5,430	3,654

The Group and Company's other receivables that were impaired as at 30 June 2021 and 2020 and the movements of the allowance accounts used to record the impairment were as follows:

	Group	
	As at 30 June 2021 RMB'000	As at 30 June 2020 RMB'000
Movement in allowance accounts:		
At 1 July	120	120
Addition during the year	797	-
At 30 June	917	120



**ZHONGXIN FRUIT AND JUICE LIMITED**

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

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

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

	Note	Group	
		As at	As at
		30 June 2021	30 June 2020
		RMB'000	RMB'000
Amount due from Fengxian authority	(a)	795	1,603
Deposits	(b)	1,200	1,500
Value-added-tax receivable		3,210	32
Advance payment for electricity charges	(c)	62	217
Others	(d)	163	302
		<b>5,430</b>	<b>3,654</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 adjourning 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 third year onwards i.e. in the financial year ended 30 June 2021 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)

**14. Share Capital**

	Group and Company			
	As at 30 June 2021		As at 30 June 2020	
	No of shares	RMB'000	No of shares	RMB'000
Issued and fully paid:				
Ordinary shares				
At beginning and end of financial 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 31 December 2020 to 30 June 2021.

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

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

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

**15. Trade and Other Payables**

	Note	Group		Company	
		As at	As at	As at	As at
		30 June 2021	30 June 2020	30 June 2021	30 June 2020
		RMB'000	RMB'000	RMB'000	RMB'000
Trade payables:					
- Non-related parties	(a)	1,489	2,332	-	-
Other payables:					
- Non-related parties	(b)	1,432	1,947	779	966
Advances from customers	(c)	-	310	-	-
Accrued salaries, bonus and directors' remunerations		1,522	1,749	396	300
Accrued tax expense	(d)	757	211	-	-
		<u>5,200</u>	<u>6,549</u>	<u>1,175</u>	<u>1,266</u>

**ZHONGXIN FRUIT AND JUICE LIMITED**

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

**15. 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:

	<b>Group</b>	
	<b>As at 30 June 2021 RMB'000</b>	<b>As at 30 June 2020 RMB'000</b>
Less than 30 days	1,187	1,559
Within 31 to 60 days	70	5
Within 61 to 90 days	-	-
Within 91 to 120 days	-	10
More than 121 days	232	758
<b>Total</b>	<b>1,489</b>	<b>2,332</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:

	<b>Note</b>	<b>Group</b>		<b>Company</b>	
		<b>As at 30 June 2021 RMB'000</b>	<b>As at 30 June 2020 RMB'000</b>	<b>As at 30 June 2021 RMB'000</b>	<b>As at 30 June 2020 RMB'000</b>
Refundable deposits for outsourced contract manufacturer	(i)	200	200	-	-
Accruals:					
- Internal and external audit services		462	497	462	497
- Outsourced financial reporting services		250	273	250	273
Others	(ii)	520	977	67	196
		<b>1,432</b>	<b>1,947</b>	<b>779</b>	<b>966</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.

(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 relate to the advances received from new customers prior to goods being delivered. There were no such advance payments as at 30 June 2021.

(d) This relate 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.

**ZHONGXIN FRUIT AND JUICE LIMITED**

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

**16. Borrowings**

	Group			
	As at 30 June 2021		As at 30 June 2020	
	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	-	-	49,622	-
- Short-term bank loan	-	9,897	-	-
<u>Repayable after one year</u>				
- Bank borrowings	-	-	-	-
Total	-	9,897	49,622	-

**Details of any collateral**

The short-term bank loan of approximately RMB9.9 million outstanding as at 30 June 2021 was unsecured and was obtained for working capital purpose.

The trade financing of approximately RMB49.62 million outstanding as at 30 June 2020 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 a finance company who is a related party of SDICZL. The trade financing had matured and fully settled in the financial year.

**17. Subsequent Events**

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

**ZHONGXIN FRUIT AND JUICE LIMITED**

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

**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 30 June 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 financial year ended 30 June 2021 ("FY2021") as compared to the financial year ended 30 June 2020 ("FY2020").**

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

During FY2021 and FY2020, the Group had recorded the following:

	<b>Group</b>	
	<b>FY2021</b>	<b>FY2020</b>
Procurement (Metric tonnes, "MT"):		
- Apples	99,416	102,416
- Pears	-	3,805
- Processed apple juice	7,827	10,954
- Raw garlic	876	774
Total	108,119	117,949
Production (MT):		
- Apple juice	15,097	17,249
- Pear juice	-	111
- Fructose	521	927
- Processed garlic	1,333	124
Total	16,951	18,411
Sales volume (MT):		
- Apple juice	17,323	27,179
- Fructose	815	542
- Processed garlic	1,476	-
Total	19,614	27,721
Average selling price (RMB per MT):		
- Fruit juice	6,586	6,215
- Fructose	8,330	8,745
- Processed garlic	6,043	-

## ZHONGXIN FRUIT AND JUICE LIMITED

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

### 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 2020 and did not materially affect the procurement and production operations of the fruit juice concentrate business of the Group in FY2021.

Despite the challenging operating environment and dwindling global market demand for fruit juices at the outset of the COVID-19 pandemic, Yuncheng Zhongxin carried on the production of fruit juice concentrate business in the financial year. 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.

Xuzhou Zhongxin has outsourced the manufacturing of its concentrated apple juice to contract manufacturers since financial year 2020 and is able to remain competitive in the fruit juice market through this initiative. Similarly, Xuzhou Zhongxin continued the outsourced contract manufacturing arrangement in FY2021 so as to build up its fruit juice concentrate inventories in order to be able to respond to any customer demand timely.

Xuzhou Zhongxin has ventured into fresh garlic processing business since June 2020 and commenced the sales of processed garlic in FY2021.

#### Revenue

The FY2021 continues to be a challenging financial year for the Group. The economic slowdown mainly as a result of prolonged impact of the COVID-19 outbreak has been weighing on the Group's financial performance. Against such backdrop, revenue had decreased by approximately RMB43.7 million or 25% mainly due to the significant drop in customer demand for concentrated fruit juices as reflected by its lower sales volume at the outset of the COVID-19 outbreak, partially offset by the slightly higher average selling price of the concentrated fruit juices in FY2021.

The average selling price of concentrated fruit juices increased by approximately 6% in FY2021 as compared to FY2020 as the volatility in market price attributed to the escalated pressure from the US and China trade friction that occurred in the previous financial year had eased in the current financial year, resulted in a slight rebound of the average concentrated fruit juice selling price in FY2021.

The sales of processed garlic in FY2021 constituted approximately 7% of the Group's revenue in FY2021.

#### Gross profit

Gross profit margin improved from 13% in FY2020 to 18% in FY2021 mainly due to the lower average procurement cost of raw materials and higher operating efficiency resulted from the implementation of cost control measures, as well as the slight improvement in average selling price as explained above. This resulted in the gross profit to improve slightly by approximately 8% or RMB1.8 million.

The gross profit from the sales of processed garlic constituted less than 3% of the Group's gross profit in FY2021.

## ZHONGXIN FRUIT AND JUICE LIMITED

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

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

#### Other income

The decrease in other income was mainly due to the absence of RMB0.6 million government grant received by Yuncheng Zhongxin in FY2020 relating to the subsidies for costs of dismantling the coal-fire boilers in its production plants pursuant to the exercise of switching from coal-fired boilers to the use of natural gas in its operational plants. There was no such income in FY2021.

#### Expenses

The increase in administrative expenses was mainly due to RMB4.2 million impairment of property, plant and equipment ("PPE") recognised by Yuncheng Zhongxin and Xuzhou Zhongxin in FY2021 relating to idle plant and machineries.

The increase in finance costs was mainly due to higher interest paid by Xuzhou Zhongxin with respect to the higher level of average loans and advances throughout the financial year made by the Group's immediate holding company, SDICZL in FY2021 to Xuzhou Zhongxin to finance its working capital requirements.

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

In FY2021, the Group shared the profit from its equity-accounted joint venture, Linyi SDIC Zhonglu Fruit Juice Co., Ltd ("Linyi SDIC") of approximately RMB0.2 million as compared to RMB3.9 million in FY2020 mainly due to lower revenue and gross profit recorded in Linyi SDIC attributed to decreased sales volume.

#### Income Tax Expense

Income tax expense in FY2021 was related to the income tax on non-operating income that was not exempted from tax.

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

Due to the reasons explained above, the Group recorded loss after taxation of RMB3.9 million in FY2021 as compared to profit after taxation ("PAT") of RMB3.3 million in FY2020. Excluding the RMB4.2 million impairment of PPE as explained above, the Group would have recorded a PAT of approximately RMB0.3 million in FY2021.

### **Statements of Financial Position**

The comparative for both the assets and liabilities are based on the Group's financial statements as at 30 June 2021 and 30 June 2020.

**Non-current assets** decreased by approximately RMB6.0 million from RM72.2 million as at 30 June 2020 to RMB66.2 million as at 30 June 2021 mainly attributable to the decrease in PPE of approximately RMB6.0 million. This was due to PPE impairment amounted to RMB4.2 million and depreciation charges of RMB5.0 million, partially offset by addition of PPE amounted to RMB3.2 million.

The impairment of PPE in FY2021 was in relation to idle plant and machineries. The addition of PPE in FY2021 was mainly incurred by Xuzhou Zhongxin for the acquisition of new machineries and equipment required for the garlic processing activities.

Included in the depreciation charges in FY2021 was an amount of RMB4.0 million (FY2020: RMB4.3 million) that was absorbed into inventories costing while the remaining amount of RMB 1.0 million (FY2020: RMB1.1 million) was charged to distribution and administrative expenses.

## ZHONGXIN FRUIT AND JUICE LIMITED

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

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

**Current assets** decreased by approximately RMB7.7 million from RMB136.4 million as at 30 June 2020 to RMB128.7 million as at 30 June 2021 mainly due to the following:

#### Cash and cash equivalents

Cash and cash equivalents decreased by approximately RMB2.4 million as explained under the statement of cash flows below.

#### Notes receivables

The notes receivables of RMB50.0 million as at 30 June 2020 were related to the promissory notes issued by SDICZL in favour of the Group, received as consideration for trade purchases and the partial settlement of trade receivables owing by SDICZL to the Group. The notes receivables have been settled as at 30 June 2021.

#### Trade receivables

Trade receivables of approximately RMB12,000 as at 30 June 2021 were in relation to outstanding accounts receivables' balances for garlic sales.

#### Other receivables

Other receivables increased by approximately RMB1.8 million mainly attributable to the increase in value added tax receivable.

#### Receivable from a related party

Receivable from a related party as at 30 June 2021 relates to payment made on behalf of a related party.

#### Receivable from immediate holding company

Receivable from immediate holding company increased by approximately RMB16.7 million due to the increase in trade amount owing by SDICZL in relation to sales made during the financial year.

#### Prepayments

Prepayments decreased by approximately RMB1.9 million as compared to 30 June 2020 due to lesser prepaid expenses made to suppliers in view of the lower level of production activities.

#### Inventories

Inventories increased by approximately RMB28.0 million as the Group carried higher level of finished goods as at 30 June 2021 as compared to 30 June 2020. These were mainly represented by fruit juice concentrate finished goods.

**Current liabilities** decreased by approximately RMB9.9 million from RMB123.1 million as at 30 June 2020 to RMB113.2 million as at 30 June 2021. This was mainly due to the following:

#### Trade and other payables

Trade and other payables decreased by approximately RMB1.3 million mainly due to decrease in trade payables as a result of lower level of procurement during FY2021 as well as lower accrued expenses as at the balance sheet date.



## ZHONGXIN FRUIT AND JUICE LIMITED

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

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

#### Payable to immediate holding company

Payable to immediate holding company increased by approximately RMB31.2 million mainly due to advances received for the funding of the Group's working capital in the financial year.

#### Borrowings

The borrowings outstanding as at 30 June 2020 had matured and fully settled in the financial year.

The borrowings of RMB9.9 million as at 30 June 2021 were obtained by Yuncheng Zhongxin from a financial institution for working capital purpose.

#### **Statement of Cash Flows**

Net cash generated from operating activities of RMB12.1 million in FY2021 was mainly due to the positive cash flows before working capital changes and the changes in working capital inflow largely from the increase in inventories and receivable from immediate holding company, offset by the decrease in notes receivables.

Net cash used in investing activities of RMB1.0 million in FY2021 was mainly attributable to additions of PPE and offset by the interest received.

Net cash used in financing activities of RMB13.5 million in FY2021 was mainly due to repayment of borrowings and offset by advances received from its immediate holding company.

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

The Company had on 12 August 2021 issued a profit guidance and the results for the FY2021 is consistent with the guidance issued.

### 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. With the various preventive measures taken by the PRC authorities, 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 procurement and production operations of the Group in the coming financial year.

The disruption in global and domestic supply chain due to the COVID-19 pandemic and fear of increasing unemployment rate and recession that reduce consumer spending have brought about significant pressure on the domestic and global economy. Against such backdrop, the Group has experienced a slowdown in market demand for its fruit juice concentrate products in FY2021. The recovery of market demand had been inconsistent and unpredictable. The Group estimates that the situation may not likely to turnaround positively in the next 6 to 12 months as the 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

## ZHONGXIN FRUIT AND JUICE LIMITED

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

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.

The Group has expanded into fresh garlic processing business and commenced the sales of processed garlic in FY2021. While this new business segment was still profitable in the FY2021, the current contribution from the garlic sales is relatively low. The COVID-19 pandemic has also led to downtrend in the export demand for processed garlic. The outcome from this new venture is not as initially anticipated. After deliberating on the market situation, the Management took the decision to suspend the garlic processing activities since the end of FY2021. The Management will continuously monitor the situation and if market conditions improve, it will consider resuming garlic processing activity in the next garlic harvesting season starting in the next financial year ending 30 June 2022.

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 FY2021.

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

Not applicable.

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

Not applicable. No dividend was declared for FY2020.

**(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.

**ZHONGXIN FRUIT AND JUICE LIMITED**

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

**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 FY2021 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. 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 FY2021 and FY2020.

**8. 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.**

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)
<b>SDICZL and its associates</b>	-	(a) Sales by the Group to SDICZL and its group of companies  122,907
		(b) 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  2,136
		(c) Interest paid by a subsidiary of the Company with respect to the working capital provided by SDICZL  3,771
<b>Total</b>	<b>-</b>	<b>128,814</b>

SDICZL is a controlling shareholder of the Company.

Transactions (a) to (c) were conducted pursuant to the renewed shareholders' mandate for IPTs approved by shareholders on 30 October 2020.

Save as disclosed above, there are no other IPTs above S\$100,000 in FY2021.

## ZHONGXIN FRUIT AND JUICE LIMITED

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

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

There were no changes in the composition of the Group in FY2021.

### 10. 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 Catalyst Rules.

### 11. 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 2 above for details.

### 12. 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

**Quan Yuhong**  
Chairman

26 August 2021

*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 Catalyst.*

*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.*