

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

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**MATERIAL VARIANCES BETWEEN THE AUDITED FINANCIAL STATEMENTS AND THE  
UNAUDITED FINANCIAL RESULTS ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 30  
JUNE 2019**

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The Board of Directors (the “**Board**”) of Zhongxin Fruit and Juice Limited (the “**Company**” and together with its subsidiaries, collectively the “**Group**”) refers to the unaudited financial results announcement for the financial year ended 30 June 2019 (“**FY2019**”) released on 28 August 2019 via the SGXNET (“**Preliminary Unaudited Results**”).

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the Company wishes to inform that subsequent to the release of the Preliminary Unaudited Results, certain adjustments have been made to the Company’s statement of financial position for the audited financial statements for FY2019 (the “**Audited Financial Statements**”).

The adjustment made does not result in any impact the Group’s consolidated statement of profit or loss and other comprehensive income or statements of financial position as the past few years annual losses of the subsidiary, Xuzhou Zhongxin Fruit and Juice Company Limited (the “**Subsidiary**”) were already included at the Group’s consolidated statement of profit and loss prior the adjustment. The adjustment was only made on the Company level, prior to consolidation.

The details and explanation of the adjustment are shown in the following pages.

**1. An extract of the statement of financial position (for the issuer), together with a comparative unaudited result.**

	Company		Variance	Note
	Audited Financial Statements FY2019 RMB'000	Preliminary Unaudited Results FY2019 RMB'000		
<b>ASSETS</b>				
<b>Non-current Assets</b>				
Investment in joint venture	6,347	6,347	-	
Investment in subsidiaries	31,402	48,223	(16,821)	1
Property, plant and equipment	9	9	-	
	<u>37,758</u>	<u>54,579</u>	(16,821)	
<b>Current Assets</b>				
Cash and cash equivalents	1,965	1,965	-	
Receivable from subsidiaries	27,718	27,718	-	
	<u>29,683</u>	<u>29,683</u>	-	
<b>Total Assets</b>	<b><u>67,441</u></b>	<b><u>84,262</u></b>	(16,821)	1
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to owners of the Company</b>				
Share capital	252,093	252,093	-	
Accumulated losses	(186,024)	(169,203)	(16,821)	1
<b>Equity attributable to owners of the Company</b>	<b><u>66,069</u></b>	<b><u>82,890</u></b>	(16,821)	1
<b>Current Liabilities</b>				
Trade and other payables	1,372	1,372	-	
	<u>1,372</u>	<u>1,372</u>	-	
<b>Total Liabilities</b>	<b><u>1,372</u></b>	<b><u>1,372</u></b>	-	
<b>Total Equity and Liabilities</b>	<b><u>67,441</u></b>	<b><u>84,262</u></b>	(16,821)	1

**2. Net asset value (for the issuer) per ordinary shares based on the total number of issued shares excluding treasury shares of the issuer, together with a comparative unaudited result.**

	Company		Variance	Note
	Audited Financial Statements FY2019	Preliminary Unaudited Results FY2019		
Net assets value ("NAV") (RMB'000)	66,069	82,890	(16,821)	1
Number of shares	1,055,459,201	1,055,459,201	-	
Net assets value per ordinary share based on total number of issued shares excluding treasury shares (RMB cents)	6.26	7.85	(1.59)	1

**Explanatory Notes for the material variances:**

- The difference of RMB16.82 million is due to the additional allowance for impairment in respect of the Company's investment in its subsidiary, Xuzhou Zhongxin Fruit and Juice Company Limited (the "Adjustment") (the "Subsidiary").

Management has carried out a review of the recoverable amount of the investment in the Subsidiary, having regard to its existing and future performance as well as the carrying value of the net assets of the Subsidiary. The Company had taken the initial view that no additional allowance for impairment was required as it was expected that the fair value of the net assets of the Subsidiary would be higher than the carrying amount of the Company's investment in the Subsidiary. However, after consultation with the external auditors, RT LLP, the Company had assessed there were indicators of impairment in the Subsidiary due to (i) the losses incurred by the Subsidiary in FY2019; and (ii) the Subsidiary had ceased production since FY2015. The Company had then re-assessed that an additional allowance for impairment loss of approximately RMB16.82 million is required, leading to the adjustment. This is due to the fair value of the property, plant and equipment and the land use rights provided by the external valuer being lower than the initial expected amount.

By Order of the Board

Zhang Jiming  
Executive Chairman  
15 October 2019

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst.*

*This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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