



ZHONGXIN
Fruit and Juice Limited
中新果业有限公司



Always Forward

ANNUAL REPORT 2024



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This annual report has been reviewed by the Company's sponsor, UOB Kay Hian Private Limited ("Sponsor").

This annual report has not been examined or approved by the Singapore Exchange Securities Trading Limited ("SGX-ST") and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements made or reports contained in this annual report.

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Corporate Profile



ZHONGXIN FRUIT AND JUICE LIMITED

Zhongxin Fruit and Juice Limited (the "Company", and together with its subsidiaries, the "Group") is a subsidiary of the world's leading producer of fruit and vegetable juice concentrates and beverages, SDIC Zhonglu Fruit Juice Co., Ltd. ("SDICZL"). The Group's primary business is the production of concentrated apple juice mainly for export to multinational F&B corporations in the United States, European Union, South Africa, Japan via SDICZL. The concentrated apple juice produced is used as an ingredient in packet juice drinks, soft drinks, cider, yoghurt and candies. Currently, the Group operates two wholly-owned subsidiaries – Yuncheng Zhongxin Fruit & Juice Company Limited ("Yuncheng Zhongxin"), Xuzhou Zhongxin Fruit & Juice Company Limited ("Xuzhou Zhongxin") and a 50%-owned joint venture – Linyi SDIC Zhonglu Fruit Juice Co., Ltd. ("Linyi SDICZL"). The Group's subsidiary in Xuzhou city, Jiangsu province and Yuncheng city, Shanxi province and the joint venture in Linyi county, Yuncheng city, Shanxi province are each equipped with an apple processing capacity of 40 tons per hour and production capacity of approximately 10,000 to 15,000 tons of concentrated apple juice per year. Consistent in its efforts towards research and development, the Group aligns with the "National R&D Center for Apple Processing" of the "Ministry of Agriculture of the People's Republic of China" for new product development. 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. Besides this, the Group will also develop new use of residues from its fruit juice production to produce by-products like animal feed, extract pectin and dietary fiber. It will also seek to extend its business arms into the health food sector in the future. The Company was listed on the SGX Sesdaq (now known as the SGX Catalyst) in 2004.



Group

Structure



Shanxi

Jiangsu

SHANXI

- Yuncheng Zhongxin Fruit & Juice Company Limited
- Linyi SDIC Zhonglu Fruit Juice Co., Ltd.

JIANGSU

- Xuzhou Zhongxin Fruit & Juice Company Limited

Chairman's Message



We remain strongly committed to uphold high standards in food and production safety and strive to conduct our operations in an environmentally and socially responsible way. Moving forward, we hope you will continue to join us in our journey to advance the Group to the next level of development.



In 2024 fiscal year, the global business environment remains unfavorable, with fierce industry competition. Factors such as rising raw material prices, phased low demand, fluctuating selling prices, and logistics disruption had a significant impact on the company's operations. Faced with challenges in 2024, the company has focused on its main responsibility and main business, strengthened business management, actively responded to risks, actively innovated and sought change, and has achieved stable operation and increased value of Shareholders' Equity.

During the reporting period, the Company closely monitored changes in the operating environment and have optimised raw material acquisition strategies, effectively responding to raw material supply risks. The Company had worked hard to achieve its business goals while also carried out process innovation and optimised production management processes to promote cost reduction and efficiency improvement. Such initiatives led to optimal utilisation of production capacity thus improving the economies of scale.

The Company is focused on employees' growth and will continue to strengthen basic management and promote lean management to improve operating effectiveness and quality. The Company placed great importance to corporate governance and sustainable development, with oversight from the Board of Directors while actively fulfilling its social responsibility and contributing to the economic development of the region.

On behalf of the board of directors, management and staff of Zhongxin Fruit and Juice, I would like to express my heartfelt gratitude to all our stakeholders for their support and trust in our Company's development. We remain strongly committed to uphold high standards in food and production safety and strive to conduct our operations in an environmentally and socially responsible way. Moving forward, we hope you will continue to join us in our journey to advance the Group to the next level of development. We shall work towards enhancing our performance in the concentrated fruit juice market and maximizing our investors' benefits.

Board of Directors



LIU YU

Chairman, Non-Executive and Non-Independent Director

Mr. Liu Yu was appointed as Chairman of the Board and Executive Director in March 2022 and was redesignated as the Non-Executive Non-Independent Director with effect from 29 January 2024. He is also currently a member of the Audit Committee, Nominating Committee and Remuneration Committee. He is also the director of the two subsidiaries and one joint venture company since July 2022.

He is holding senior accountant title in China and holds a Master degree in accounting with over 10 years financial management experience. He is currently the Finance Director of SDICZL, the holding company of Zhongxin.

He used to be the Finance Director of Finance Management of Macrolink Holding Group Finance Co., Ltd., the Accounting Supervisor of the Government of Jing'an, Zhangye City, Gansu Province, People's Republic of China. He was also the Finance Director of Tonghua Grape Wine Co., Ltd., the Finance Director of Huaxia Runshi (Beijing) Equity Investment Fund Management Co., Ltd.



WANG MING

Independent Director

Mr. Wang was appointed as an Independent Director on 30 October 2023 and is currently the Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee.

Mr. Wang worked for the Chinese government and state-owned enterprises before 2001. Since 2001, he has been engaged in audit work within accounting firms.

He holds qualifications as a Chinese Certified Public Accountant (CPA), Chinese Certified Public Valuer, and Chinese Certified Tax Agent.

Mr. Wang was the Audit Manager/General Partner at Ruihua Accounting Firm (Special General Partnership) from 2013 to 2018. He is the Partner at Zhongxinghua CPA Firm (Special General Partnership) from 2018 to Present. He is currently the director of Xinren Financial Consulting Qinhuangdao Co, Ltd. and Li Zhi Medical Technology Qinhuangdao Co., Ltd., and director of Qinhuangdao Meiqi Building Materials Co., Ltd.

Mr. Wang Ming graduated from Hebei University of Economics and Business.

Board of Directors



LIU XIAOYAN

Lead Independent Director

Mr. Liu was appointed as the Lead Independent Director on 30 October 2023 and is currently the Chairman of the Audit and Remuneration Committees and a member of the Nominating Committee.

Mr. Liu spent his early career working in the Chinese government. When he migrated to Singapore, Mr. Liu started to work in the capital market, focusing on investment banking and private equities. As an experienced professional, he has worked with several public-listing and M&A projects and has gathered abundant network resources across China, Singapore, and the emerging Southeast Asian markets. He has served as an investment advisor for the agri-food industry of Singapore Temasek's Singbridge Group. He is currently the president of the Nankai Alumni Association of Singapore.

Mr. Liu was the managing director at Asia Petroleum Technology Pte Ltd from 2013 to 2016 and has held executive positions at Zana Capital Pte Ltd from 2016 to 2017 and Haitong International Securities Singapore between 2017 and 2018. He was also a consultant at Morgan Stanley Bank Asia Limited from 2019 to 2021. Currently, Mr. Liu is the General Manager of Lance Capital Pte Ltd and Independent Non-Executive Director of Sinostar Pec Holdings Limited.

Mr. Liu graduated from Nankai University with a bachelor's degree and furthered his study in the School of Economics at Peking University.



CAI HUIXIN

Executive Director and General Manager

Mr. Cai Huixin was appointed as the General Manager of the Company since March 2023, and joined the Board of Directors of the Company as an Executive Director on 29 January 2024. Mr. Cai Huixin is responsible for the overall operation of the Group. Mr. Cai Huixin has been engaged in the production of concentrated fruit juice since 2004 and has nearly 20 years of relevant work experience. He was previously the general manager of Yunnan SDIC Zhonglu Fruit and Juice Ltd and Shanxi SDIC Zhonglu Fruit and Juice Ltd. Mr. Cai Huixin graduated from Zhong Nan University, majoring in Business Management.

Key Management



LIU ZHENZHE

Deputy General Manager (Finance)

Mr. Liu was appointed as Deputy General Manager (Finance) of the Company on 26 October 2012. He is responsible for the overall financial operations of the Group.

He was the Finance Manager of Shanxi SDIC Zhonglu Fruit Juice Co., Ltd. from 2005 to 2006 and the Finance Manager of Linyi SDIC Zhonglu Fruit Juice Co., Ltd. from 2006 to 2012.

Business Overview



During the reporting period, the company achieved growth in both production and sales, especially the domestic sales of fructose. Affected by the Red Sea crisis in 2023, ocean freight rates have significantly increased, sales and shipping speeds have slowed down, demand has weakened in stages, and gross profit margins have decreased year-on-year.

FY 2024 REVIEW

In 2024 fiscal year, the Group achieved a net profit of RMB 2.26 million. As of 30 June 2024, the total assets of the Group are RMB 238.56 million, the total liabilities are RMB 101.50 million, and the owner's equity is RMB 137.06 million.

During the reporting period, the company achieved growth in both production and sales, especially the domestic sales of fructose. Affected by the Red Sea crisis in 2023, ocean freight rates have significantly increased, sales and shipping speeds have slowed down, demand has weakened in stages, and gross profit margins have decreased year-on-year.

Faced with the above situations, the company worked together and strengthened production process control, and with the support of major shareholder funds, maximized the full-load production of the wholly-owned company Yuncheng Zhongxin. The annual production plan and cost control targets were successfully completed, and the product quality was 100% qualified.

Business

Overview



At the same time, the company focused on sustainable development and community relations improvement, especially the use of biochemical treatment of production wastewater for agricultural irrigation, which laid the foundation for the company's long-term development and enhanced its development potential, reputation, and competitiveness. Under stable market demand, the company has achieved stable profits by relying on the market resources of SDIC Zhonglu, ensuring the interests of investors.

The Group will continue to proactively respond to the market needs, promote fine management and optimise production capacity.

OUTLOOK FOR FISCAL YEAR 2025

In fiscal year 2025, the Group will continue to proactively respond to the market needs, promote fine management, optimise production capacity, increase revenue and reduce expenditure, increase efficiency, strengthen internal control, reduce operational risks and achieve good benefits on the basis of ensuring product quality. We aim to bring Yuncheng Zhongxin and Linyi SDIC Zhonglu to full load production, to maximise profit and investment income.

Business Overview



Under the leadership of the board of directors of the company, the management team with the general manager has implemented the annual production and operation objectives, realized the normal operation of the business, and strengthened the supervision and risk control.

CORPORATE GOVERNANCE

In terms of social responsibility, the company actively responds to the government's rural revitalization strategy and promotes the growth of fruit planting area. In environmental protection, the company actively practices the concept of green and low-carbon development, establish and improve resource conservation and ecological environment protection system, and strengthen pollution control and efficient utilization of resources. The company has established a sound corporate governance structure which is in accordance with the requirements of the internal control system to establish a sound organization and business process. Under the leadership of the board of directors of the company, the management team together with the general manager has implemented the annual production and operation objectives, realized the normal operation of the business, and strengthened the supervision and risk control.

In terms of quality control, it always adheres to the original concept of "safety, health and natural", strictly implements food safety standards at home and abroad.

QUALITY CONTROL

In terms of quality control, we always adheres to the original concept of "safety, health and natural", strictly implements food safety standards at home and abroad, creates the whole-process food safety and quality control system, and wholeheartedly provides customers with high-quality products and efficient and intimate services. As a food and beverage processing enterprise, we always puts food safety in the first place. The company implements raw material prevention and control, processing process control and export release control to provide healthy and safe concentrated raw materials for the end market. The company's products meet the American FDA standard, and have obtained ISO quality certification, HACCP certification, SGF certification and KOSHER certification for the production of safe food.

Corporate Information



BOARD OF DIRECTORS

Mr. Liu Yu
Chairman and Non-Executive
Non-Independent Director

Mr. Cai Huixin
Executive Director

Mr. Liu Xiaoyan
Lead Independent Director

Mr. Wang Ming
Independent Director

AUDIT COMMITTEE

Mr. Liu Xiaoyan
Chairman

Mr. Wang Ming
Member

Mr. Liu Yu
Member

NOMINATING COMMITTEE

Mr. Wang Ming
Chairman

Mr. Liu Xiaoyan
Member

Mr. Liu Yu
Member

REMUNERATION COMMITTEE

Mr. Liu Xiaoyan
Chairman

Mr. Wang Ming
Member

Mr. Liu Yu
Member

COMPANY SECRETARY

Helen Tong

REGISTERED OFFICE

25 International Business Park
#02-53 German Centre
Singapore 609916
T: (65) 65572308

COMPANY REGISTRATION NUMBER

200208395H

SHARE REGISTRAR & SHARE TRANSFER OFFICE

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Keppel Bay Tower #14-07
Singapore 098632

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Singapore 229957

INDEPENDENT AUDITORS

Moore Stephens LLP
10 Anson Road
#29-15 International Plaza
Singapore 079903

Partner-In-Charge :
Lao Mei Leng
(Year of appointment:
Financial year ended 30 June 2023)

PRINCIPAL BANKERS

Industrial and Commercial Bank of
China Limited
Singapore Branch
6 Raffles Quay #12-01
Singapore 048580

CORPORATE Governance



The Board of Directors (the “**Board**”) of Zhongxin Fruit and Juice Limited (the “**Company**” and together with its subsidiaries and associated company, the “**Group**”) recognises the importance of corporate governance and good business practices within the Group to ensure greater transparency and to protect the interests of its shareholders. The Company is fully committed in maintaining a high standard of corporate governance within the Group.

The following report describes the Company’s corporate governance practices which were in place throughout the financial year ended 30 June 2024 (“**FY2024**”) with specific reference to the principles and provisions set out in the Code of Corporate Governance 2018 (the “**2018 CG Code**”), which forms part of the continuing obligations of the Catalist Rules of the Singapore Exchange Securities Trading Limited.

The Board has confirmed that for FY2024, the Company has adhered to the principles as set out in the 2018 CG Code and, where applicable, has specified and explained the deviations from the provisions of the 2018 CG Code in this Report.

(A) BOARD MATTERS

THE BOARD’S CONDUCT OF ITS AFFAIRS

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The current Board has four (4) members and comprises the following:

NAME OF DIRECTORS	DESIGNATION
Liu Yu	Chairman and Non-Executive and Non-Independent Director
Cai Huixin	Executive Director
Liu Xiaoyan	Lead Independent Director
Wang Ming	Independent Director

The Board’s primary roles are to protect and enhance long term shareholders’ value and returns, set the Group’s corporate strategies and directions, oversee management of the Group’s business affairs, financial performance and key operational initiatives, and implementations of risk management policies and practices. Each individual Director is obliged to act in good faith and exercise due diligence as well as independent judgement in dealing with the business affairs of the Group so as to observe the best interests of shareholders of the Company at all times.

The Directors are aware of the requirements in respect of disclosure of interests in securities, disclosure of conflicts of interest in transactions involving the Company, prohibition on dealings in the Company’s securities and restrictions on the disclosure of price-sensitive information. In any situation that involves a conflict of interest with the Company, the Directors recuse themselves from participating in any discussion and decision on the matter.

CORPORATE Governance



To assist the Board in discharging of its functions, the Board is assisted by board committees which comprise the Audit Committee (“**AC**”), Nominating Committee (“**NC**”) and Remuneration Committee (“**RC**”) (collectively, the “**Board Committees**”). Each Board Committee has its own specific terms of reference setting out the scope of its duties and responsibilities, rules and regulations, and procedures governing the manner in which it is to operate and how decisions are to be taken. The current compositions of the Board Committees are as follows:

	AC	NC	RC
Chairman	Liu Xiaoyan	Wang Ming	Liu Xiaoyan
Member	Wang Ming	Liu Xiaoyan	Wang Ming
Member	Liu Yu	Liu Yu	Liu Yu

The Board has delegated certain matters to the Board Committees to assist the Board in carrying out and discharging its duties and responsibilities efficiently and effectively. The dates of Board and Board Committees meetings as well as the Annual General Meeting (“**AGM**”) will be scheduled in advance. To assist Directors in planning their attendance, the Company Secretary will first consult every Director before fixing the dates of these meetings. The Board will meet at least two times a year and as warranted by particular circumstances. Ad hoc meetings will also be convened to deliberate on urgent substantive matters when necessary.

Directors are free to discuss and voice their concerns on any matter raised at the Board meetings. Telephonic and videoconferencing meetings of the Board are allowed under the Company’s Constitution in the event when Directors were unable to attend meetings in person. All Directors are provided with the agenda and a set of board papers prior to the meetings. These are issued in advance to give the Directors sufficient time to better understand the matters to be discussed and to obtain further clarifications or explanations at the relevant meetings where necessary. The Company and the Board acknowledge that an unimpeded flow of relevant information in a timely manner is crucial for the Board to be effective in discharging its duties and responsibilities. During FY2024, the Board conducted three (3) Board meetings with full attendance.

The details of the number of meetings held for the Board and Board Committees during FY2024 and the attendance of each Director at the meetings are disclosed as follows:

	BOARD	NC	AC	RC	AGM
NUMBER OF MEETINGS HELD	3	1	2	1	1
NAME	NUMBER OF MEETINGS ATTENDED				
Liu Yu ⁽¹⁾	3	1*	2*	1*	1
Cai Huixin ⁽²⁾	1	0	1*	0	0
Liu Xiaoyan ⁽³⁾	1	0	1	0	0
Wang Ming ⁽⁴⁾	1	0	1	0	0
Tham Mun Chee ⁽⁵⁾	2	1	1	1	1
Liu Xiuwen ⁽⁶⁾	2	1	1	1	1
Zhang Chuning ⁽⁷⁾	2	1	1	1	1

Notes:

- (1) Mr. Liu Yu was re-designated from Executive Director to Non-Executive Non-Independent Director of the Company on 29 January 2024. His appointment as a member of the Audit Committee, Nominating Committee and Remuneration Committee was also with effect from 29 January 2024.
- (2) Mr. Cai Huixin was appointed as an Executive Director of the Company on 29 January 2024.
- (3) Mr. Liu Xiaoyan was appointed as Lead Independent Director of the Company on 30 October 2023.
- (4) Mr. Wang Ming was appointed as an Independent Director of the Company on 30 October 2023.
- (5) Mr. Tham Mun Chee resigned as the Lead Independent Director of the Company on 30 October 2023.
- (6) Ms. Liu Xiuwen retired as an Independent Director of the Company on 25 October 2023.
- (7) Ms. Zhang Chuning resigned as a Non-Executive Director of the Company on 31 January 2024.

* By Invitation

CORPORATE *Governance*



The Company has adopted internal guidelines setting forth matters that require Board's approval. The Board has identified, without limitation, the following matters that require its approval:

- Declaration of dividends and other returns to shareholders of the Company;
- Major corporate policies on key areas of operation;
- Major funding proposals or bank borrowings;
- Corporate or financial restructuring and share issuances;
- Mergers and acquisitions;
- Material acquisitions and disposals;
- Approval of transactions involving interested person transactions; and
- Appointments of new Directors.

All Directors are updated regularly on changes in Company's policies and business updates. Newly appointed Directors will be provided with a formal letter, setting out the Director's duties and obligations and will be given appropriate briefings by the management on the business activities of the Group, its strategic directions and the Company's corporate governance policies and practices. Director who has no prior experience as a director of an issuer listed on the Singapore Exchange ("SGX") will undergo training in the roles and responsibilities of a director of a listed issuer as prescribed by the SGX for the purposes of Rule 406(3)(a) of the Catalist Rules.

Mr. Liu Yu was appointed as a member of the Audit Committee, Nominating Committee and Remuneration Committee following his redesignation as Non-Executive Non-Independent Director while Mr. Wang Ming and Mr. Cai Huixin are newly appointed directors during the year with no prior experience as a director of an issuer listed on SGX. Mr. Liu Yu, Mr. Wang Ming and Mr. Cai Huixin have completed all the required modules organised by the Singapore Institute of Director.

The Board is provided clear appointment and re-appointment process of the director which fits the requirements and core competencies for acting as an Independent Director and Non-Executive Director.

Directors are encouraged to attend relevant training to enhance their skills and knowledge, particularly on new laws and regulations affecting the Group's operations.

The Directors are provided with continuing briefings from time to time and are kept updated on relevant new laws and regulations including directors' duties and responsibilities, corporate governance and developing trends and financial reporting standards to enable them to properly discharge their duties as members of the Board and/or Board Committees.

The Director may also attend other trainings, conference and seminar which may have a bearing on their duties and contribution to the Board, organised by the professional bodies, regulatory institutions, and corporations at the Company's expense, if required.

CORPORATE *Governance*



The Board is provided with complete, adequate and timely information on operation and financial performance of the Company. For matters where the Board is required to make decision, the management provides the Board with sufficient background and information on financial, business and corporate issues to enable the Directors to be properly briefed on issues to be considered. The Board has separate, independent access to the senior management of the Group at all times. Requests for information from the Board are dealt with promptly by the senior management. The Board is informed of all material events and transactions as and when they occur.

The Company Secretary attends all Board and Board Committees' meetings and is responsible for ensuring that established procedures and all relevant statutes and regulations that are applicable to the Company are complied with. The Company Secretary assists the Chairman by preparing meeting agendas, attending Board and Board Committees' meetings and preparing minutes of Board and Board Committees' proceedings. The Board has separate and independent access to the Company Secretary. Under the direction of the Chairman, the Company Secretary, with the support of the management staff, ensures good information flows within the Board and the Board Committees and between senior management and Non-Executive Directors.

The appointment and replacement of the Company Secretary is a matter for the Board as a whole and is subject to the Board's approval.

The Board seeks independent professional advice as and when necessary to enable it to discharge its responsibilities effectively. The Directors, whether as a Group or individually, may seek and obtain legal and other independent professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfill their roles and responsibilities as Directors.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

The NC determines the independence of each Director annually. An Independent Director is one who has no relationship with the Company, its related companies, its substantial shareholders (as defined in the 2018 CG Code) or its officers that can interfere, or be reasonably perceived to interfere with the exercise of the Director's independent business judgement to the best interests of the Company.

As at the date of this report, the Board comprises four Directors, three of whom are Non-Executive Directors, with two of them being independent. As the Chairman of the Board, Mr. Liu Yu, is a Non-Independent Director, the NC has reviewed the composition of Independent Directors on the Board and is of the view that based on the current level of operations of the Group and the Board with two Independent Directors making up half of the Board gives an appropriate level of independence and diversity of thought to enable it to make decisions in the best interests of the Company. Although the Independent Directors are not in a majority, the Board has always discussed important issues robustly and have always been able to reach a consensus on the votes without having to rely on any majority votes to decide nor having individual or small group of individuals dominate the Board's decision-making process. As there is strong independent and non-executive element on the Board and given the size of the Board, the Board is of the view that it is not necessary or cost-effective to have Independent Directors make up a majority of the Board.

CORPORATE Governance



Each Director possesses the appropriate core competencies, quality and diversity of experience to lead and contribute to the development of the Group's strategies and performance. The NC is also of the view that the current Board members comprise persons with a broad range of expertise and experience in diverse areas such as accounting, finance, business and management, and strategic planning. The Board embraces diversity and has formally adopted a Board Diversity Policy. The Board Diversity Policy provides for the Board to comprise talented and dedicated Directors with a diverse mix of expertise, experience, perspectives, skills and backgrounds, with due consideration given to diversity factors, including but not limited to, diversity in the business or professional experience, age and gender. The Board has not set a specific target for board diversity. The Board believes in diversity and values the benefits that diversity can bring to the Board in its deliberations by avoiding groupthink and fostering constructive debate.

The current Board comprises persons who as a group provide an appropriate balance and diversity of skills, experience and capabilities required for the Board to be effective.

	NUMBER OF DIRECTORS	PROPORTION OF BOARD
Core Competencies		
• Accounting or finance	4	100%
• Business management	4	100%
• Legal or corporate governance	2	50%
• Relevant industry knowledge or experience	2	50%
• Strategic planning experience	4	100%
• Customer based experience or knowledge	3	75%
Gender		
• Male	4	100%

Non-Executive Directors are encouraged to participate and provide constructive challenge and develop strategies and review and monitor the performance of management, agreed goals and objectives. Where circumstance requires, the Non-Executive Directors will meet without the presence of management to review any matters that need to be raised privately, and the chairman of such meetings provides feedback to Board and/or Chairman as appropriate.

Mr. Liu Yu is the representative from SDIC Zhonglu Fruit Juice Co., Ltd. ("SDICZL"), the major shareholder holding 53.11% interest in the share capital of Company as at the date of this report. Mr. Liu Yu is also the Finance Director of SDICZL.

Mr. Liu Yu is also the Director and legal representative of the Company's two principal subsidiaries, namely Xuzhou Zhongxin Fruit & Juice Company Limited and Yuncheng Zhongxin Fruit & Juice Company Limited in China since 7 July 2022. Mr. Liu Yu is also concurrently acting as a Director and legal representative of Linyi SDIC Zhonglu Fruit Juice Co., Ltd., a 50%-owned joint venture of the Company.

The Board is of the view that its current size and composition are appropriate and provide sufficient diversity of expertise to lead and govern the Company effectively, considering the scope and nature of its operations.

The independence of the Director is reviewed annually, and upon notification by a Director of a change in circumstances, by the NC based on the criteria of independence defined in the 2018 CG Code and Rules 406(3)(d) of the Catalyst Rules, the NC will recommend to the Board as to whether the Director is considered independent. No individual or small group of individuals dominates the Board's decision making.

CORPORATE Governance



The Independent Directors, namely Mr. Liu Xiaoyan and Mr. Wang Ming, have confirmed that they have no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere with the exercise of their independent business judgement with a view to the best interests of the Company and its shareholders. The NC had reviewed and confirmed the independence of the abovenamed Directors in accordance with the 2018 CG Code and Rules 406(3)(d) of the Catalist Rules.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The role of Chairman is assumed by Mr. Liu Yu, the Non-Executive Non-Independent Director of the Company. Mr. Liu Yu leads the Board and encourages the Board's interaction with the Management, facilitates effective contribution of the Directors, encourages constructive relationships among the Directors and promotes high standards of corporate governance. In addition, the Non-Executive Chairman ensures that the Directors receive accurate, timely and clear information and there is effective communication with shareholders of the Company.

The Company currently has no chief executive officer. Mr. Cai Huixin, the Executive Director and General Manager of the company is responsible for overseeing the operations of the Group.

Mr. Liu Yu and Mr. Cai Huixin are not related to each other.

Given that the Chairman is not an Independent Director, Mr. Liu Xiaoyan has been appointed as Lead Independent Director, for the shareholders in situation where they have concerns/issues and for which contact through the normal channels of the Non-Executive Chairman, the Executive Director and General Manager or the Deputy General Manager (Finance) have failed to provide a satisfactory resolution or when such contact is inappropriate. Mr. Liu Xiaoyan will also take the lead in ensuring compliance of the 2018 CG Code and Catalist Rules.

Where circumstance requires, led by the Lead Independent Director, the Independent Directors will meet without the presence of other Directors and provide feedback to the Non-Executive Chairman after such meetings as appropriate. There were no instances arising in FY2024 which required the Independent Directors to meet in the absence of other Directors.

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

As at the date of this report, the NC comprises the following members, the majority of whom, including the NC Chairman, are independent:-

Wang Ming	–	Chairman
Liu Xiaoyan	–	Member
Liu Yu	–	Member

The Lead Independent Director is a member of the NC.

CORPORATE *Governance*



The principal functions of the NC are summarised as follows:

- (a) Reviews and makes recommendations to the Board on all Board appointment and re-appointment;
- (b) Reviews the Board structure, size and composition and makes recommendations to the Board with regards to any adjustments that are deemed necessary;
- (c) Reviews the Board's succession plans for Directors, in particular, the Non-Executive Chairman;
- (d) Determines the independence of each Director using the guidelines in the 2018 CG Code;
- (e) Assesses the effectiveness of the Board, Board Committees and contribution of each Director; and
- (f) Reviews training and professional development programmes for the Board.

During FY2024, the NC held one scheduled meeting with full attendance.

For new appointments to the Board, the NC will consider the Company's current board size and its composition and decide if the candidate's background, expertise and knowledge will complement the skills and competencies of the existing Directors on the Board. The candidate must be a person of integrity and must be able to commit sufficient time and attention to the affairs of the Company, especially if he/she is serving on multiple boards.

If a vacancy arises under any circumstances, or where it is considered that the Board would benefit from the services of a new Director, the NC, in consultation with the Board, will determine the selection criteria and select the appropriate candidate for the position.

In its search and nomination process for new Director, other than through a formal search process via external search consultants, if required, the NC will also tap on to the resources of the Directors' personal contacts and their recommendations for potential candidates. The NC will shortlist and interview potential candidates with the appropriate profile to assess his/her suitability before nominating the most suitable candidate to the Board for approval and appointment as a Director. The Board is also advised by the Sponsor on the appointment of directors as required under Catalist Rule 226(2)(d).

The NC is charged with the responsibility of re-nomination of Directors having regard to the Director's contribution and performance (e.g. attendance, preparedness, participation and candour) including, if applicable, independency. Each member of the NC will abstain from voting on any resolutions in respect of the assessment of his/her performance or re-nomination as a Director.

Pursuant to the provision of the Company's Constitution, one-third of the Director(s) shall retire from office at every AGM and a retiring Director shall be eligible for re-election at the said AGM. All Directors shall retire from office at least once every three years in accordance with Rule 720(4) of the Catalist Rules. A newly appointed Director shall also submit himself/herself for retirement at the AGM immediately after his/her appointment and shall be eligible for election at the said AGM.

The NC has considered Mr. Liu Xiaoyan's overall contribution and performance and recommended to the Board in which the Board has agreed for Mr. Liu Xiaoyan to seek for re-election at the forthcoming AGM pursuant to Regulation 117 of the Company's Constitution. Mr. Liu Xiaoyan has abstained from deliberation in respect of his own nomination and assessment.

CORPORATE Governance



Mr. Liu Xiaoyan will, upon re-election as a Director of the Company, remain as the Lead Independent Director and Chairman of the Audit Committee and Remuneration Committee, and a member of the Nominating Committee, and he will be considered independent for the purposes of Rule 704(7) of the Catalist Rules.

The NC has considered Mr. Wang Ming's overall contribution and performance and recommended to the Board in which the Board has agreed for Mr. Wang Ming to seek for re-election at the forthcoming AGM pursuant to Regulation 117 of the Company's Constitution. Mr. Wang Ming has abstained from deliberation in respect of his own nomination and assessment.

Mr. Wang Ming will, upon re-election as a Director of the Company, remain as the Independent Director and a Chairman of the Nominating Committee and a member of the Audit Committee, and Remuneration Committee, and he will be considered independent for the purposes of Rule 704(7) of the Catalist Rules.

The NC has considered Mr. Cai Huixin's overall contribution and performance and recommended to the Board in which the Board has agreed for Mr. Cai Huixin to seek for re-election at the forthcoming AGM pursuant to Regulation 117 of the Company's Constitution. Mr. Cai Huixin has abstained from deliberation in respect of his own nomination and assessment.

Mr. Cai Huixin will, upon election as a Director of the Company, remain as the Executive Director.

Independent Directors, Mr. Liu Xiaoyan and Mr. Wang Ming have also confirmed their independence.

The following sets out the date of Directors' initial appointment and last re-election and their directorship and/or principal commitments:-

NAME AND AGE OF DIRECTORS	POSITION	COUNTRY OF PRINCIPAL RESIDENCE	DATE OF INITIAL APPOINTMENT	DATE OF LAST RE-ELECTION	MEMBERSHIP OF BOARD COMMITTEES	PRESENT DIRECTORSHIP IN OTHER LISTED COMPANIES	PAST (PRECEDING 3 YEARS) DIRECTORSHIP		OTHER PRINCIPAL COMMITMENTS, IF ANY	
							IN LISTED COMPANIES	IN LISTED COMPANIES		
Mr. Liu Yu (Age:43)	Chairman and Non-Executive Non-Independent Director	China	30/03/2022	28/10/2022	AC Member NC Member RC Member	Nil	Nil	1	Yuncheng Zhongxin Fruit and Juice Co., Ltd.	- Director
								2	Xuzhou Zhongxin Fruit and Juice Co., Ltd.	- Director
								3	Linyi SDIC Zhonglu Fruit Juice Co., Ltd.	- Director
								4	SDIC Zhonglu Fruit Juice Co., Ltd.	Finance Director
Mr. Cai Huixin (Age:49)	Executive Director	China	29/01/2024	-	-	Nil	Nil	Nil		

CORPORATE Governance



NAME AND AGE OF DIRECTORS	POSITION	COUNTRY OF PRINCIPAL RESIDENCE	DATE OF INITIAL APPOINTMENT	DATE OF LAST RE-ELECTION	MEMBERSHIP OF BOARD COMMITTEES	PRESENT DIRECTORSHIP IN OTHER LISTED COMPANIES	PAST	OTHER PRINCIPAL COMMITMENTS, IF ANY
							(PRECEDING 3 YEARS) DIRECTORSHIP IN LISTED COMPANIES	
Mr. Liu Xiaoyan (Age: 55)	Lead Independent Director	Singapore	30/10/2023	–	AC Chairman RC Chairman NC Member	Sinostar PEC Holdings Limited – Non-Executive Independent Director	Nil	Lance Capital Pte Ltd. – General Manager
Mr. Wang Ming (Age: 52)	Independent Director	China	30/10/2023	–	AC Member NC Chairman RC Member	Nil	Nil	<ol style="list-style-type: none"> Xinren Financial Consulting Qinhuangdao Co., Ltd. – Director Li Zhi Medical Technology Qinhuangdao Co., Ltd. – Director Qinhuangdao Meiqi Building Materials Co., Ltd. - Director Zhongxinghua CPA Firm (Special General Partnership) - Partner

Please refer to the 'Board of Directors' section in the Annual Report for the profile of the Directors.

All Directors are required to declare their Board appointments and other principal commitments. The considerations in assessing the capacity of Directors would include the following:

- Expected and/or competing time commitments of Directors, including whether such commitment is a full-time or part-time employment capacity;
- Geographical location of Directors;
- Size and composition of the Board;
- Nature and scope of the Group's operations and size; and
- Capacity, complexity and expectations of the other listed directorships and principal commitments held.

The NC has reviewed the time spent and attention given by each Director to the Company's affairs, taking into account the multiple directorships and other principal commitments of each Director, and is satisfied that all Directors have discharged their duties adequately for FY2024.

The Company currently does not have any alternate director.

CORPORATE Governance



BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The Board and the NC strive to ensure that Directors on the Board possess the experience, knowledge and skills critical to the Group's business so as to enable the Board to make sound and well-considered decisions.

The NC had implemented a process for evaluating the effectiveness of the Board as a whole, its Board Committees and the contribution by each individual Director to the effectiveness of the Board and set objective performance criteria for such evaluation. Each member of the NC abstains from voting on any resolution and participating in the review process in respect of the assessment of his/her performance or re-nomination as a Director. Evaluations of individual Director aim to assess whether that individual continues to contribute effectively and demonstrate commitment to the role (including commitment of time for Board and Board Committee meetings, and any other duties).

Annually, the Directors will complete a board and board committee assessment checklist which sets out the performance criteria for evaluating the effectiveness of the Board and Board Committee in its monitoring role and the attainment of the strategic objectives set by the Board. Performance criteria to assess the Board and Board Committees' effectiveness as a whole include size and composition, access to information, Board processes, roles, responsibilities, and conduct.

Each Director will also complete a self-assessment checklist individually. Some factors considered in the individual review include the Director's attendance, his preparation and participation in the Board or Board Committees meetings, the quality of Director's intervention and the industry and business knowledge of the Director.

The NC has performed the assessment in FY2024 and is of the view that the performance of the individual Directors, the Board Committees and the Board as a whole were satisfactory and the Board has met its performance objectives.

No external facilitator was used in the evaluation process in FY2024.

(B) REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The RC comprises the following members, all of whom are Non-Executive Directors and the majority of whom, including the RC Chairman, are independent:

Liu Xiaoyan	–	Chairman
Wang Ming	–	Member
Liu Yu	–	Member

CORPORATE Governance



The functions of the RC include the following:-

- recommend to the Board a framework of remuneration for the Directors and key management personnel, and determine specific remuneration packages for each Director and key management personnel, with the recommendations of the RC submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind shall be covered by the RC; and
- perform an annual review of the remuneration of employees related to the Directors and key management personnel (if applicable) to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. RC also review and approves any bonuses, pay increases and/ or promotions for these employees.

The RC will meet at least once a year. During FY2024, the RC held one scheduled meeting with full attendance.

The RC also reviews the Company's obligations arising in the event of termination of the Executive Director and key management personnel's contracts of service, if any, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous and avoid rewarding poor performance. If necessary, the RC would seek expert advice inside and/ or outside the Company on remuneration of all Directors. Each member of the RC will abstain from voting on any resolutions in respect of his/her remuneration package or that of employees related to him/her.

No remuneration consultants were engaged by the Company in FY2024.

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

The Company adopts a remuneration policy for Executive Director and key management personnel comprising a fixed component and a variable component. The Executive Director does not receive Director's fees but is instead remunerated as a member of management. The fixed component is in the form of a base salary and the variable component is in the form of a variable bonus that is linked to the performance of the Company and the individual. This is designed to align remuneration with the interests of shareholders and link rewards to corporate and individual performance so as to promote the long-term sustainability of the Group.

Mr. Cai Huixin was appointed as the Executive Director on 29 January 2024.

Service contract for the Executive Director is for a fixed appointment period and does not contain onerous termination clauses.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Director and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Executive Director and key management personnel owes a fiduciary duty to the Company, therefore the Company should be able to avail itself to remedies against them in the event of such breach of fiduciary duties.

CORPORATE Governance



The Non-Executive Directors are paid Directors' fees, in accordance with their contributions, taking into account factors such as effort, time spent, responsibilities of the Directors and the need to pay competitive fees to attract, motivate and retain such Directors. Directors' fees are recommended by the Board for approval by the shareholders at the Company's AGM.

Mr. Liu Yu was re-designated to Non-Executive Non-Independent Director on 29 January 2024 and had opted not to receive Director's fee for his services as a Non-Executive Director and member of the Board Committees since then. There was no remuneration paid to Mr. Liu Yu in FY2024 as he had opted not to receive Director's Remuneration prior to his re-designation.

The Company has no share-based compensation scheme or any long-term incentive scheme involving the offer of shares or options in place.

DISCLOSURE ON REMUNERATION

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Details on the remuneration of Directors and Key Management Personnel for the year under review are presented below. There are no termination, retirement and post-employment benefits granted to the Directors and/or the top key management personnel during FY2024.

A breakdown of the level and mix of remuneration paid/payable to each Director in FY2024 is as follows:-

	DIRECTORS'			OTHER	TOTAL
	FEES	SALARY	BONUS	BENEFITS	
	S\$	S\$	S\$	S\$	S\$
Below S\$250,000					
Liu Yu ⁽¹⁾	-	-	-	-	-
Cai Huixin ⁽²⁾	-	20,901	7,979	10,636	39,516
Liu Xiaoyan ⁽⁶⁾	22,000	-	-	-	22,000
Wang Ming ⁽⁷⁾	7,605	-	-	-	7,605
Tham Mun Chee ⁽³⁾	11,000	-	-	-	11,000
Liu Xiuwen ⁽⁴⁾	3,802	-	-	-	3,802
Zhang Chuning ⁽⁵⁾	-	-	-	-	-

Notes:

- (1) Mr. Liu Yu has opted not to receive remuneration in FY2024.
- (2) Mr. Cai Huixin was appointed as an Executive Director on 29 January 2024. He is the General Manager prior to his appointment as an Executive Director.
- (3) Mr. Tham Mun Chee resigned as the Lead Independent Director of the Company on 30 October 2023.
- (4) Ms. Liu Xiuwen retired as an Independent Director of the Company on 25 October 2023.
- (5) Ms. Zhang Chuning resigned as a Non-Executive Director of the Company on 31 January 2024. She had opted not to receive Director's fee for her services as Non-Executive Director and member of the Board Committees.
- (6) Mr. Liu Xiaoyan was appointed as the Lead Independent Director on 30 October 2023.
- (7) Mr. Wang Ming was appointed as the Independent Director on 30 October 2023.

CORPORATE Governance



The remunerations paid to the top key management personnel (who are not Directors or the CEO) of the Group set out in bands of S\$250,000 in FY2024 are as follows:-

NAME OF KEY MANAGEMENT BASE/ FIXED PERSONNEL SALARY (WHO ARE NOT DIRECTORS)	BASE/FIXED SALARY (%)	VARIABLE OR BONUSES (%)	BENEFITS IN KIND (%)	TOTAL (%)	REMUNERATION IN COMPENSATION BAND OF S\$250,000 (%)
Liu Zhenzhe ⁽¹⁾	33	47	20	100	<S\$250,000

Notes:

(1) Mr. Liu Zhenzhe is Deputy General Manager (Finance) of the Company.

The Company has only one key management position.

The Company did not fully disclose the remuneration of its key management personnel as the Board is of the view that it is not in the interests of the Company to disclose such details due to sensitivity and competitive reasons.

There was no employee of the Group who are substantial shareholders of the Company or are immediate family member of any Director, CEO or substantial shareholders of the Company, and whose remuneration exceeded S\$100,000 during FY2024.

The Company has no share-based compensation scheme or any long-term incentive scheme involving the offer of shares or options in place.

(C) ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board is responsible for the overall risk governance, risk management and internal control framework of the Group and is fully aware of the need to put in place a system of internal controls within the Group to safeguard Shareholders' interests and the Group assets, and to manage risks.

The Company does not have a risk management committee. However, the Group regularly reviews its business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. The internal auditor reviews regularly all significant control policies and procedures and highlight all significant matters to the senior management, the AC and the Board.

CORPORATE Governance



The AC will review, at least annually, the reports submitted by the external and internal auditors relating to the adequacy and effectiveness of the Group's significant internal controls, including financial, operational, compliance and information technology controls, risk management system, and risks of fraud and irregularities. Any material non-compliance and recommendations for improvement are reported to the AC. A copy of the report is also issued to the relevant department for its follow-up action. The timely and proper implementation of all required corrective, preventive or improvement measures are closely monitored.

The AC will also review the effectiveness of the actions taken by the management on the recommendations made by the external and internal auditors in this respect.

For FY2024, the General Manager and Deputy General Manager (Finance) have provided their confirmation and assurance to the Board that (i) the financial records have been properly maintained and that the consolidated financial statements for the financial year ended 30 June 2024 give a true and fair view of the Company's operations and finances and (ii) the Company's risk management systems and internal controls as at 30 June 2024 are adequate and effective.

Based on the internal controls established and maintained by the management, the negative assurance provided by the General Manager and Deputy General Manager (Finance), the works performed by internal and external auditors and reviews performed by management and various Board Committees and the Board, the Board, with the concurrence of the AC, is of the opinion that the Group's current internal controls procedures in place to address financial, operational, compliance, information technology controls and the risk management systems were adequate and effective for FY2024.

The system of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. The Group is also consistently seeking to improve its internal controls and adopting the recommendations highlighted by the internal and external auditors to further enhance the Group's operations.

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

The AC comprises the following members, all of whom are Non-Executive Directors and majority of whom, including the AC Chairman, are independent:

Liu Xiaoyan	-	Chairman
Wang Ming	-	Member
Liu Yu	-	Member

All of the AC members, including the Chairman, have accounting and related financial management expertise and experience. None of the AC members were previous partners or directors of the Company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be partner of the auditing firm or director of the auditing corporation; and in any case (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

To enable the AC to discharge its function properly, it has full access to and cooperation by management and has full discretion to invite any Director or executive officer to attend its meetings. The AC has power to conduct or authorise investigations into any matter within the AC's scope of responsibility. The AC is authorised to obtain independent professional advice if it deems necessary to discharge its responsibilities properly. Such expenses if incurred would be borne by the Company.

CORPORATE *Governance*



The AC members met twice in FY2024, where the Executive Director and senior management were invited to attend the meetings.

The AC assists the Board in discharging its responsibility to safeguard the assets of the Company, maintain adequate accounting records, and develop and maintain effective systems of internal control. The AC provides a channel of communication between the Board, the management and the external auditors on matters relating to audit.

The AC has been entrusted with the following functions:

- Review with the external and internal auditors their audit plans, evaluation of the internal control, audit reports, their letter to management and the management's response. The AC also reviews the cooperation given by the Company's officers to the internal and external auditors;
- Review the scope and results of the audit and its cost effectiveness;
- Review the adequacy of the Group's internal controls, including financial, operational, compliance and information technology controls and risk management policies and systems established by the management;
- Review key financial risk areas and the outcome of such review to be disclosed in the annual reports, with a view to provide an independent oversight on the Group's financial reporting;
- Review the financial statements before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from audit compliance with accounting standards and compliance with the Catalist Rules and other relevant statutory or regulatory requirements;
- Conduct investigation into any matter within the AC's scope of responsibility and review of any significant findings of investigations with full access to management;
- Review and discuss with the external auditors any suspected fraud or irregularities, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the management's response;
- Make recommendation to the Board on the appointment, re-appointment and removal of external auditors and approve the remuneration and terms of engagement of the external auditors. The AC also assesses the independence and objectivity of the external auditors;
- Review interested person transactions falling within the scope of Chapter 9 of the Catalist Rules;
- Undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and
- Undertake such other functions and duties as may be required by the statute or by the Catalist Rules, or by such amendments as may be made thereto from time to time.

The AC has been granted full authority and access to the Company's external and internal auditors and finance and accounts department without the presence of the senior management.

CORPORATE *Governance*



The AC is kept abreast by the management and the external auditors of changes to accounting standards, Catalist Rules and other regulations which could have an impact on the Group's business and financial statements.

As at the date of this report, the AC had met once with the external auditors and internal auditors without the presence of the management in FY2024.

The AC constantly bears in mind the need to maintain a balance between the independence and objectivity of the external auditors and the work carried out by the external auditors based on value for money consideration. During the financial year under review, the aggregate amount of fees paid to the external auditors for the audit services amounted to S\$90,000. There is no non-audit fee paid/payable to the external auditor.

The AC has undertaken a review of the services, scope, independence and objectivity of the external auditors, Messrs Moore Stephens LLP. The External Auditors of the Company has confirmed that they are a public and Chartered Accounting Firm registered with ACRA and provided a confirmation of their independence to the AC. Given that there is no non-audit fees paid/payable and having assessed the External Auditors based on factors, such as performance and quality of their audit partners and auditing team, their overall qualification and their confirmation of independence provided, the AC is satisfied of the independent status of the external auditors.

The AC has recommended to the Board for the shareholders' approval of the re-appointment of Messrs Moore Stephens LLP as external auditors of the Company at the forthcoming AGM.

The Group has appointed different auditors for its subsidiaries and joint venture based in the People's Republic of China. Messrs Moore Stephens LLP will review the audit for consolidation purposes. The Board and the AC have reviewed the appointment of the different auditors for its subsidiaries and joint venture and are satisfied that the appointment of the different auditors would not compromise the standard and effectiveness of the audit of the Group.

The AC is satisfied that the Company has complied with Rule 712 and 715 of the Catalist Rules.

The Company has adopted a whistle-blowing policy which provides well-defined and accessible channels in the Group through which employees of the Group may raise concerns about improper conduct within the Group. The Company's whistle-blowing policy has in place the process to ensure confidentiality of the whistleblower's identity by withholding all whistleblowers' particulars during the transfer of the content of the reported cases. The Company also will ensure protection of the whistleblower(s) against detrimental or unfair treatment. During actual work, all parties shall strictly enforce confidentiality discipline, penalize any behavior that may lead to the leakage of informant's particulars or the suppression of information, and effectively protect the legitimate rights and interests of the informants. The AC will review arrangements by which staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters directly to Mr. Liu Xiaoyan, the AC Chairman and Lead Independent Director via phone or through email. Details of the whistle blowing policies and arrangement have been made available to all employees. Other than the employees of the Group, any other persons including members of the public may also, in confidence, raise concerns about the possible corporate improprieties in matters of financial reporting or other matters to the AC Chairman at email address AC@zhongxinfj.com. The AC's objectives are to ensure that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action.

There have been no reported incidents pertaining to whistle-blowing for FY2024.

CORPORATE *Governance*



INTERNAL AUDIT

The AC's responsibilities over the Group's internal controls and risk management are complemented by the work of the Internal Auditors.

The Group has outsourced its internal audit function to Assenture PAC, a qualified professional firm that is independent of the Company's business activities. The internal audit team that provides expertise and industry insights to strengthen the Company's internal audit function comprises a director, a senior manager and supported by other staff, which have more than 20 years of relevant experience combined. The internal auditors conduct the audit based on the standards set by internationally recognized professional bodies. The annual internal audit plan is submitted to the AC for approval prior to the commencement of the internal audit work. The internal auditors review the effectiveness of key internal controls in accordance with the internal audit plan.

The key members of the engagement team comprise of:-

- Engagement Director Su Chun Keat
- Engagement Director Jason Lam
- Engagement Manager Teo Qiu Xin

The main objective of the internal audit function is to assist the Group in evaluating and assessing the adequacy and effectiveness of internal controls and to consequently highlight the areas where control weaknesses exist, if any, and thus improvements could be made.

The internal audit function is independent and the internal auditors report directly to the AC on audit matters and to the General Manager and Deputy General Manager (Finance) on administrative matters. The internal auditors assist the AC and the Board in monitoring and managing risks and internal controls of the Group.

The AC ensures that the management provides good support to the internal auditors and provides unfettered access to all of the company's documents, records, and personnel when requested in order for the internal auditors to carry out their function accordingly.

The AC also reviews and approves the internal auditors' plan for each financial year to ensure that the scope of the plan is adequate and effective to cover the review of the significant internal controls of the Group, including financial, operational, compliance, information technology controls and risk management systems. The internal auditors will report its audit findings and recommendations to the AC.

The management, together with the Board, had reviewed all the audit reports and findings from internal auditors and external auditors respectively during the AC meetings.

The AC had reviewed the adequacy and effectiveness of the internal audit function and is satisfied that the team is independent, effective, adequately resourced and has appropriate standing within the Company.

CORPORATE Governance



(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETING

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Shareholders are encouraged to attend AGMs and/or general meetings to stay informed of the Company's goals and strategies and to ensure a high level of accountability by the management. Notice of the meeting will be dispatched to shareholders, together with explanatory notes or a circular on items of special business (if necessary), within the stipulated time before the meeting. The Board welcomes questions from shareholders who have an opportunity to raise issues either informally or formally before or at the meeting. The Chairman of the respective Board Committees is normally available at the meeting to answer those questions relating to the work of these committees. The Company's external auditors are also present to assist the Directors in addressing queries relating to the audited financial statements raised by shareholders. A polling agent is appointed by the Company for general meetings who will explain the rules, including the voting procedures that govern the general meetings of shareholders. An independent scrutineer is also appointed for results verification purpose. Please refer to Principle 1 for the Directors' attendance of the AGM held in FY2024.

Whilst there is no limit imposed on the number of proxy votes for nominee companies, the Company's Constitution allows each shareholder to appoint up to two proxies to attend AGM and any other general meetings. The Board will review the Company's Constitution from time to time, and where an amendment to the Company's Constitution is required to align the relevant provisions with the requirements of the Catalist Rules, shareholders' approval will be obtained.

The Company is not implementing absentia voting methods such as voting via mail, e-mail or fax until security, integrity and other issues are satisfactorily resolved. This is also subject to legislative amendment to recognize electronic voting.

Resolutions to be passed at general meetings are always separate and distinct in term of issue and are consistent with the 2018 CG Code's recommendation that companies should avoid "bundling" resolutions unless the resolutions are interdependent and linked so as to form one significant proposal.

The Group does not have a fixed dividend policy at present. The form, frequency and amount of dividends declared each year will take into consideration the Group's profit growth, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate. For FY2024, no dividend to be declared or was recommended in view of the Company currently does not having retained profits available and the Board deemed it appropriate to conserve funds for the Group's business activities and working capital requirement.

All resolutions put forth at the general meetings are voted by way of poll. Detailed voting results including each of the total number of votes cast 'For' or 'Against' the resolutions are announced on the same day after the conclusion of the general meetings via SGXNET.

The Company prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and management. The minutes of general meetings will be announced within one month from the date of AGM via SGXNET.

CORPORATE Governance



ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

The Board believes in regular, timely and effective communication with shareholders. The Company does not practise selective disclosure. In line with continuous obligations of the Company pursuant to the Catalist Rules, it is the Board's policy that shareholders are kept informed of all important developments concerning the Group that will or expect to have an impact on the Company or the Group through timely dissemination of information via SGXNET announcements, press releases, annual reports and various other announcements made whenever necessary.

The Company currently does not have an investor relations policy but considers advice from its professionals on appropriate disclosure requirements before announcing material information to shareholders. The Company will consider the appointment of a professional investor relations officer to manage the function should the need arise.

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company has identified stakeholders as those who have the ability to influence the business performance and provide effective solutions to incorporate sustainability approach into the Company's operations.

The Company believes in working closely with its stakeholders to operate the business and achieve the Group's goals, to understand day-to-day activities and business. For more information on the Company's stakeholder engagement, please refer to the Company's Sustainability Report for FY2024 which will be published by end of October 2024.

The Company does not have a corporate website to communicate with stakeholders. The Company has, after taking into consideration the size of the Group's operations, and the nature of the Group's business, and balancing the monetary and other costs involved, taken a pragmatic approach in not establishing a corporate website. Nevertheless, the Company welcomes any comment, feedback and query from the stakeholders addressed to the Company's registered office address at 25 International Business Park, #02-53 German Centre, Singapore 609916 or telephone at +65 6557 2308 or email address at AC@zhongxinfr.com. The Company strives to engage and manage relationships with the stakeholders.

CORPORATE Governance



(E) OTHER CORPORATE GOVERNANCE MATTERS

CODE OF CONDUCT AND PRACTICES

The Group recognises the importance of integrity, professionalism on the conduct of its business activities. Employees are expected to embrace, practise and adopt these values while performing their duties and always to act in the best interest of the Group and avoid situations that may create conflicts of interest.

DEALINGS IN SECURITIES

The Company has adopted an internal code on compliance to deal with securities. The Company, its Directors, senior management and employees (collectively the “Officers”) are not permitted to deal in the Company’s securities during the periods commencing one month before the announcement of the Group’s half year and full financial year results and ending on the date of announcement of such result, or when they are in possession of unpublished price-sensitive information on the Group. In addition, the Officers are advised not to deal in the Company’s securities for a short term considerations and are expected to observe the insider trading laws at all times even when dealing in securities within the permitted trading periods. The Group confirmed that it adhered to its internal securities code of compliance for FY2024.

INTERESTED PERSON TRANSACTIONS (“IPTs”)

In compliance with Rule 920 of the Catalist Rules, the value of IPTs conducted in FY2024 was as follows:-

NAME OF INTERESTED PERSONS	AGGREGATE VALUE OF ALL INTERESTED PERSON TRANSACTIONS DURING THE FINANCIAL YEAR UNDER REVIEW (EXCLUDING TRANSACTIONS LESS THAN SGD100,000 AND TRANSACTIONS CONDUCTED UNDER SHAREHOLDERS’ MANDATE PURSUANT TO RULE 920)	
	(RMB’000)	(RMB’000)
Associates of SDICZL ⁽¹⁾	(a) Purchases by the Group from SDICZL and its group of companies 894 ⁽³⁾	(b) Sales by the Group to SDICZL and its group of companies 128,979 (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 1,474 (d) Interest paid by a subsidiary of the Company with respect to the working capital provided by SDICZL 1,782
Total	894	132,235⁽²⁾

Notes:

(1) SDICZL is a controlling shareholder of the Company.

(2) Transactions (b) to (d) were conducted pursuant to the renewed shareholders’ mandate for IPTs approved by the shareholders on 25 October 2023.

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

Save as disclosed above, there are no other discloseable IPTs in FY2024.

CORPORATE *Governance*



MATERIAL CONTRACTS

Save as disclosed in the IPT section, there were no material contracts entered into by the Group involving the interest of any Director or controlling shareholder of the Company, either still subsisting at the end of the financial year, or if not then subsisting, entered into since the end of the previous financial year.

NON-SPONSOR FEES

There were no non-sponsor fees paid to the Continuing Sponsor, UOB Kay Hian Private Limited by the Company during FY2024.

SUSTAINABILITY REPORT

The Group is dedicated in managing the key material economic, environmental, social and governance aspects of our business and operations. The sustainability report which will be prepared with reference to the Global Reporting Initiative Standards and the recommendations of the Task Force on Climate-related Financial Disclosures discloses the Group's commitment to sustainability and transparency. The Company is working towards the issuance of its sustainability report for the financial year ended 30 June 2024 by 31 October 2024 and such report will be made available to shareholders on the SGXNET in due course.

Disclosure of Information on *Director Seeking Re-election*



Mr. Liu Xiaoyan is the Director seeking re-election at the forthcoming annual general meeting of the Company to be held on 29 October 2024 ("AGM").

Pursuant to Rule 720(5) of the Catalist Rules of the SGX-ST, the information relating to the Retiring Director as set out in Appendix 7F to the Listing Manual of the SGX-ST are as follows:-

RE-ELECTION	
MR. LIU XIAOYAN	
Date of Appointment	30 October 2023
Date of last re-appointment (if applicable)	N/A
Age	55
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations and the search and nomination process)	<p>The Board of Directors of the Company has considered the recommendation of the Nominating Committee and has assessed Mr. Liu Xiaoyan's contribution, performance, attendance, preparedness, participation, candour and suitability of re-election as Lead Independent Director of the Company.</p> <p>The Board has reviewed and concluded that Mr. Liu Xiaoyan possesses the requisite and capabilities to carry his duties as a Lead Independent Director.</p>
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Lead Independent Director Chairman of the Audit Committee and Remuneration Committee and a member of the Nominating Committee.
Professional qualifications	<ul style="list-style-type: none"> ● Postgraduate Diploma (Finance research) – Beijing University China (2004) ● Postgraduate Diploma (International Law) – Tianjin Nankai University China (2000) ● Bachelor Degree – Tianjin Nankai University China (1991)

Disclosure of Information on Director Seeking Re-election



RE-ELECTION

MR. LIU XIAOYAN

Working experience and occupation(s) during the past 10 years	<ul style="list-style-type: none"> ● January 2013 – February 2016 – Asia Petroleum Technology Pte Ltd. – Managing Director ● March 2016 – January 2017 – Zana Capital Pte Ltd. – Partner ● April 2017 – October 2018 – Haitong International Securities Singapore – Executive Director ● September 2019 – February 2021 – Morgan Stanley Bank Asia Limited – Consultant ● April 2021 – Present – Lance Capital Pte Ltd. – General Manager
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Shareholding interest in the listed issuer and its subsidiaries	No
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Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
--	----

Conflict of interest (including any competing business)	No
---	----

Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes
--	-----

Other Principal Commitments* including Directorships#

* "Principal Commitments" has the same meaning as defined in the Code

These fields are not applicable for announcements of appointments pursuant to Rule 704(8) of Catalyst Rules

Past (for the last 5 years)	October 2021 – August 2022 – Volatility Smile Technology Pte. Ltd. – Director and CEO
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Present	December 2021 – Present – Sinostar PEC Holdings Limited – Non-Executive Independent Director
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Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.

(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
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Disclosure of Information on *Director Seeking Re-election*



RE-ELECTION

MR. LIU XIAOYAN

(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency? No

(c) Whether there is any unsatisfied judgment against him? No

(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose? No

(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach? No

(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part? No

Disclosure of Information on *Director Seeking Re-election*



RE-ELECTION

MR. LIU XIAOYAN

(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust? No

(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust? No

(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity? No

(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:—

(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or No

(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or No

(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or No

(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, No

in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?

Disclosure of Information on *Director Seeking Re-election*



RE-ELECTION

MR. LIU XIAOYAN

- (k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere? No

Disclosure applicable to the appointment of Director only.

Any prior experience as a director of an issuer listed on the Exchange? N/A

If yes, please provide details of prior experience.

If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.

Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable). N/A

Disclosure of Information on Director Seeking Re-election



Mr. Wang Ming is the Director seeking re-election at the forthcoming annual general meeting of the Company to be held on 29 October 2024 ("AGM").

Pursuant to Rule 720(5) of the Catalist Rules of the SGX-ST, the information relating to the Retiring Director as set out in Appendix 7F to the Listing Manual of the SGX-ST are as follows:-

RE-ELECTION	
MR. WANG MING	
Date of Appointment	30 October 2023
Date of last re-appointment (if applicable)	N/A
Age	52
Country of principal residence	China
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations and the search and nomination process)	<p>The Board of Directors of the Company has considered the recommendation of the Nominating Committee and has assessed Mr. Wang Ming's contribution, performance, attendance, preparedness, participation, candour and suitability of re-election as an Independent Director of the Company.</p> <p>The Board has reviewed and concluded that Mr. Wang Ming possesses the requisite and capabilities to carry his duties as an Independent Director.</p>
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee.
Professional qualifications	CICPA (Chinese Institute of Certified Public Accountants) – CPA China Association of Asset Appraisers – Certified Public Valuer China Tax Agents Association - Certified Tax Agents
Working experience and occupation(s) during the past 10 years	<ul style="list-style-type: none"> • May 2013 – October 2018 – Ruihua Accounting Firm (Special General Partnership) – Audit Manager / General Partner • November 2018 – Present – Zhongxinghua CPA Firm (Special General Partnership) - Partner
Shareholding interest in the listed issuer and its subsidiaries	No

Disclosure of Information on Director Seeking Re-election



RE-ELECTION

MR. WANG MING

Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries

No

Conflict of interest (including any competing business)

No

Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer

Yes

Other Principal Commitments* including Directorships#

* "Principal Commitments" has the same meaning as defined in the Code

These fields are not applicable for announcements of appointments pursuant to Rule 704(8) of Catalist Rules

Past (for the last 5 years)

Nil

Present

- November 2017 – Present – Xinren Financial Consulting Qinhuangdao Co, Ltd. – Director
- January 2020 – Present – Li Zhi Medical Technology Qinhuangdao Co., Ltd. – Director
- December 2001 – Present – Qinhuangdao Meiqi Building Materials Co., Ltd. - Director

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.

(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?

No

(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?

No

Disclosure of Information on *Director Seeking Re-election*



RE-ELECTION

MR. WANG MING

- | | | |
|-----|--|----|
| (c) | Whether there is any unsatisfied judgment against him? | No |
| (d) | Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose? | No |
| (e) | Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach? | No |
| (f) | Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part? | No |
| (g) | Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust? | No |
| (h) | Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust? | No |
| (i) | Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity? | No |

Disclosure of Information on *Director Seeking Re-election*



RE-ELECTION

MR. WANG MING

- (j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:—
- (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or No
 - (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or No
 - (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or No
 - (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, No

in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?

-
- (k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere? No
-

Disclosure of Information on *Director Seeking Re-election*



RE-ELECTION

MR. WANG MING

Disclosure applicable to the appointment of Director only.

Any prior experience as a director of an issuer listed on the Exchange? N/A

If yes, please provide details of prior experience.

If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.

Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable). N/A

Disclosure of Information on Director Seeking Re-election



Mr. Cai Huixin is the Director seeking re-election at the forthcoming annual general meeting of the Company to be held on 29 October 2024 ("AGM").

Pursuant to Rule 720(5) of the Catalist Rules of the SGX-ST, the information relating to the Retiring Director as set out in Appendix 7F to the Listing Manual of the SGX-ST are as follows:-

RE-ELECTION	
MR. CAI HUIXIN	
Date of Appointment	29 January 2024
Date of last re-appointment (if applicable)	N/A
Age	49
Country of principal residence	China
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations and the search and nomination process)	<p>The Board of Directors of the Company has considered the recommendation of the Nominating Committee and has assessed Mr. Cai Huixin's contribution, performance, attendance, preparedness, participation, candour and suitability of re-election as an Executive Director of the Company.</p> <p>The Board has reviewed and concluded that Mr. Cai Huixin possesses the requisite and capabilities to carry his duties as an Executive Director.</p>
Whether appointment is executive, and if so, the area of responsibility	Executive, oversees the operations of the group.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director General Manager
Professional qualifications	<ul style="list-style-type: none"> ● Bachelor of Business Management – Zhong Nan University
Working experience and occupation(s) during the past 10 years	<ul style="list-style-type: none"> ● March 2023 – Present – General Manager in Zhongxin Fruit and Juice Limited ● April 2018 – February 2023 – General Manager in Yunnan SDIC Zhonglu Fruit and Juice Ltd ● July 2012 – April 2018 – General Manager in Shanxi SDIC Zhonglu Fruit and Juice Ltd.
Shareholding interest in the listed issuer and its subsidiaries	No

Disclosure of Information on Director Seeking Re-election



RE-ELECTION

MR. CAI HUIXIN

Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries

No

Conflict of interest (including any competing business)

No

Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer

Yes

Other Principal Commitments* including Directorships#

* "Principal Commitments" has the same meaning as defined in the Code

These fields are not applicable for announcements of appointments pursuant to Rule 704(8) of Catalist Rules

Past (for the last 5 years)

● April 2018 – February 2023 – General Manager in Yunnan SDIC Zhonglu Fruit and Juice Ltd.

Present

Nil

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.

(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?

No

(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?

No

(c) Whether there is any unsatisfied judgment against him?

No

Disclosure of Information on *Director Seeking Re-election*



RE-ELECTION

MR. CAI HUIXIN

(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose? No

(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach? No

(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part? No

(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust? No

(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust? No

(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity? No

Disclosure of Information on *Director Seeking Re-election*



RE-ELECTION

MR. CAI HUIXIN

- (j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:—
- (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or No
 - (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or No
 - (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or No
 - (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, No

in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?

-
- (k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere? No
-

Disclosure of Information on *Director Seeking Re-election*



RE-ELECTION

MR. CAI HUIXIN

Disclosure applicable to the appointment of Director only.

Any prior experience as a director of an issuer listed on the Exchange? N/A

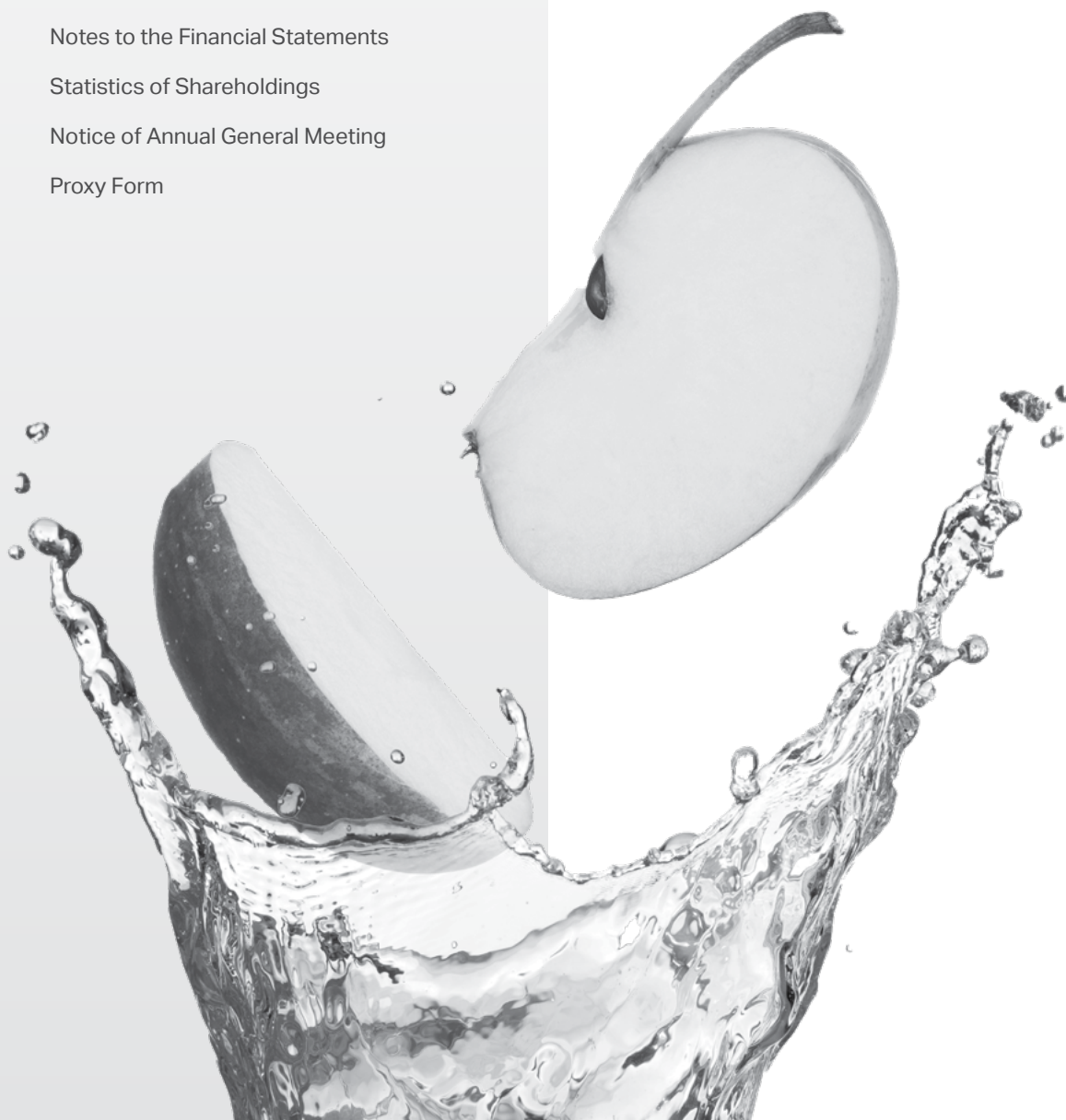
If yes, please provide details of prior experience.

If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.

Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable). N/A

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Directors' Statement



For the financial year ended 30 June 2024

The directors present their statement to the members of Zhongxin Fruit and Juice Limited. (the “**Company**”) together with the audited consolidated financial statements of the Company and its subsidiaries (collectively the “**Group**”) for the financial year ended 30 June 2024 and the statement of financial position of the Company as at 30 June 2024.

In the opinion of the directors:

- (a) the consolidated financial statements of the Group and statement of financial position of the Company are drawn up so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1. DIRECTORS

The directors of the Company in office at the date of this statement are:

Liu Yu	Non-Executive Non-Independent Director	
Cai Huixin	Executive Director	(Appointed on 29 January 2024)
Liu Xiaoyan	Lead Independent Director	(Appointed on 30 October 2023)
Wang Ming	Independent Director	(Appointed on 30 October 2023)

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' Statement

For the financial year ended 30 June 2024



3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings kept by the Company under section 164 of the Companies Act 1967 (the "Act"), the directors of the Company who held office at the at the end of the financial year had no interest in the shares or debenture of the Company and its related corporations either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

There was no change in any of the above-mentioned interests in the Company and its related corporations between the end of the financial year and 21 July 2024.

4. SHARE OPTIONS

Option Granted

During the financial year, there were no share options granted to subscribe for unissued shares of the Company or any corporation in the Group.

Options Exercised

During the financial year, there were no shares issued by virtue of the exercise of options to take up unissued shares of the Company or any corporation in the Group.

Options Outstanding

As at the end of the financial year, there were no unissued share of the Company or any corporation in the Group under option.

5. AUDIT COMMITTEE

The Audit Committee ("AC") comprises the following independent/non-executive directors at the date of this statement:

Liu Xiaoyan (Chairman)
Wang Ming
Liu Yu

The AC carried out its functions in accordance with Section 201(B)(5) of the Act, the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual and the Code of Corporate Governance and assists the Board of Directors (the "Board") in the execution of its corporate government responsibilities within its established terms of reference.

Directors' Statement

For the financial year ended 30 June 2024



5. AUDIT COMMITTEE (CONT'D)

The duties of the AC, amongst other things, include:

- (a) review the audit plans of the internal and external auditors of the Company, and review the internal auditors' evaluation of the adequacy of the Group's/Company's system of internal accounting controls and the assistance given by the Group's/Company's management to the external and internal auditors;
- (b) review the half yearly announcement of financial statements and annual financial statements and the auditors' report on the annual consolidated financial statements of the Company and its subsidiaries before their submission to the Board;
- (c) review the effectiveness of the Group's/Company's material internal controls, including financial, operational, compliance and information technology controls and risk management via reviews carried out by the internal auditors;
- (d) meet with the external and internal auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- (e) review legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programs and any reports received from regulators;
- (f) review the cost effectiveness and the independence and objectivity of the external auditors;
- (g) review the nature and extent of non-audit services provided by the external auditors;
- (h) recommend to the Board the external auditors to be nominated, approve the compensation of the external auditors and review the scope and results of audit;
- (i) report actions and minutes of the AC to the Board with such recommendations as the AC considers appropriate;
- (j) review interested person transactions in accordance with the requirements of the SGX-ST Listing Manual; and
- (k) undertake such other functions and duties as may be agreed to by the AC and the Board.

The AC is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, Moore Stephens LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

Further details regarding the AC are disclosed in the Report on Corporate Governance included in the Company's Annual Report.

Directors'

Statement



For the financial year ended 30 June 2024

6. INDEPENDENT AUDITORS

The independent auditors, Moore Stephens LLP, Public Accountants and Chartered Accountants have expressed their willingness to accept re-appointment as auditors.

On Behalf of The Board of Directors,

.....
Liu Yu

.....
Liu Xiaoyan

2 October 2024

Independent *Auditor's Report*



To the Members of Zhongxin Fruit and Juice Limited (Incorporated in Singapore)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Zhongxin Fruit and Juice Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report



To the Members of Zhongxin Fruit and Juice Limited (Incorporated in Singapore)

Key Audit Matters (cont'd)

KEY AUDIT MATTER

HOW THE MATTER WAS ADDRESSED IN THE AUDIT

Impairment assessment on idle production machinery in property, plant and equipment ("PPE")

Our response:

We refer to Note 4(b) under "Critical accounting estimates, assumptions and judgements" and Note 14 to the financial statements.

Our audit procedures, amongst others, included the following:

The carrying amount of the Group's idle production machinery amounted to RMB2.72 million as at 30 June 2024. These idle production machinery are owned by Xuzhou Zhongxin Fruit and Juice Company Limited ("Xuzhou Zhongxin") which had ceased its production of concentrated apple juice since prior years. In addition, Xuzhou Zhongxin had received a relocation notice from a PRC government agency in June 2024 as disclosed in Note 14 to the financial statements.

- Obtained an understanding of the management's process for estimating the recoverable amount of the idle production machinery based on fair value less costs to sell;
- Considered the reasonableness of the valuation methodology used by management;
- Discussed with key management and evaluated the reasonableness of the key assumptions applied, such as similar assets adjusted for age and costs of disposal, by corroborating the underlying data to evidential materials in support of management's assessment; and
- Reviewed the adequacy of the disclosures in the financial statements.

Management had estimated the recoverable amounts of these idle production machinery based on fair value less costs of disposal. The recoverable amounts were determined to be higher than their respective carrying amounts at the reporting date, and hence, no further allowance for impairment loss was recognised for the idle production machinery as at that date.

Our findings

Management had relied on last year's independent professional valuation as a starting point to determine the fair value of the idle production machinery as at 30 June 2024. This valuation process involves determining the appropriate valuation method to be used and exercising judgements in estimating the key underlying assumptions to be applied in the valuation.

We found that the valuation methodology used to be appropriate and the key underlying assumptions applied in the valuation to be reasonable. We also found that the related disclosures in the financial statements to be appropriate.

We focused on this area because of its significance and the degree of judgment required in determining the recoverable amount of the idle production machinery.

Independent Auditor's Report



To the Members of Zhongxin Fruit and Juice Limited (Incorporated in Singapore)

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

Independent Auditor's Report



To the Members of Zhongxin Fruit and Juice Limited (Incorporated in Singapore)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lao Mei Leng.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
2 October 2024

Consolidated Statement of Comprehensive Income



For the financial year ended 30 June 2024

	NOTE	GROUP	
		2024 RMB'000	2023 RMB'000
Revenue	5	135,281	114,533
Cost of sales		(115,266)	(90,525)
Gross profit		20,015	24,008
Other income:			
Other operating income	6	1,884	4,494
Operating expenses:			
Distribution expenses		(7,675)	(6,880)
Administrative expenses		(7,502)	(10,003)
Finance costs	8	(2,600)	(3,228)
Share of loss from equity-accounted joint venture	12	(968)	(1,601)
Profit before income tax	9	3,154	6,790
Income tax	10	(894)	(823)
Profit for the year		2,260	5,967
Other comprehensive loss for the year, net of tax			
<i>Items that will not be reclassified to profit or loss</i>			
Defined benefit plan remeasurement		30	–
Share of other comprehensive income of equity accounted joint venture		5	–
Total comprehensive income for the year attributable to owners of the Company		2,295	5,967
Earnings per share for earnings attributable to owners of the Company (RMB cents)			
- Basic	11	0.21	0.57
- Diluted	11	0.21	0.57

The accompanying notes form an integral part of the financial statements

Statements of Financial Position



As at 30 June 2024

	NOTE	GROUP		COMPANY	
		2024	2023	2024	2023
		RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Non-current Assets					
Investment in joint venture	12	11,371	12,334	6,347	6,347
Investment in subsidiaries	13	–	–	19,473	19,473
Property, plant and equipment	14	39,715	41,872	1	1
Right of use assets	15	6,133	6,319	–	–
		57,219	60,525	25,821	25,821
Current Assets					
Cash and cash equivalents	16	31,362	14,403	1,851	409
Notes receivable	17	10,000	24,800	–	–
Trade receivables	18	32,156	91,934	–	–
Other receivables	19	484	929	–	–
Receivable from subsidiaries	20	–	–	20,440	20,440
Receivable from related parties	21	7	20	–	–
Prepayments		2,213	1,178	–	–
Inventories	22	105,120	39,094	–	–
		181,342	172,358	22,291	20,849
Total Assets		238,561	232,883	48,112	46,670
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	23	252,093	252,093	252,093	252,093
Contributed surplus	24	22,000	22,000	–	–
Statutory and other reserves	25	10,637	10,637	–	–
Accumulated losses		(147,669)	(149,964)	(205,343)	(206,685)
		137,061	134,766	46,750	45,408

The accompanying notes form an integral part of the financial statements

Statements of

Financial Position (cont'd)



As at 30 June 2024

	NOTE	GROUP		COMPANY	
		2024	2023	2024	2023
		RMB'000	RMB'000	RMB'000	RMB'000
Non-current Liabilities					
Deferred capital grant	26	200	206	–	–
Current Liabilities					
Trade and other payables	27	5,903	6,563	1,362	1,262
Contract liabilities	5(b)	–	3,544	–	–
Payable to immediate holding company	28	56,341	53,419	–	–
Borrowings	29	39,056	34,385	–	–
		101,300	97,911	1,362	1,262
Total Liabilities		101,500	98,117	1,362	1,262
Total Equity and Liabilities		238,561	232,883	48,112	46,670

The accompanying notes form an integral part of the financial statements

Consolidated Statement of Changes in Equity



For the financial year ended 30 June 2024

EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY

	STATUTORY				TOTAL RMB'000
	SHARE CAPITAL RMB'000	CONTRIBUTED SURPLUS RMB'000	AND OTHER RESERVES RMB'000	ACCUMULATED LOSSES RMB'000	
Group					
<u>2024</u>					
As at 1 July	252,093	22,000	10,637	(149,964)	134,766
Profit for the year	–	–	–	2,260	2,260
Other comprehensive income for the year	–	–	–	35	35
Total comprehensive income for the financial year	–	–	–	2,295	2,295
As at 30 June	252,093	22,000	10,637	(147,669)	137,061
<u>2023</u>					
As at 1 July	252,093	22,000	8,263	(153,557)	128,799
Profit for the year	–	–	–	5,967	5,967
Other comprehensive income for the year	–	–	–	–	–
Total comprehensive income for the financial year	–	–	–	5,967	5,967
Transfer to statutory and other reserves representing transaction with equity holders as owners of the Group	–	–	2,374	(2,374)	–
As at 30 June	252,093	22,000	10,637	(149,964)	134,766

The accompanying notes form an integral part of the financial statements

Consolidated Statement of

Cash Flows

For the financial year ended 30 June 2024



	NOTE	GROUP	
		2024	2023
		RMB'000	RMB'000
Operating Activities			
Profit before income tax		3,154	6,790
Adjustments for:			
Write back of impairment loss - other receivables		(130)	(30)
Amortisation of deferred capital grant		(6)	(6)
Amortisation of right of use assets		186	187
Depreciation of property, plant and equipment		989	1,071
Loss/(Gain) on disposal of property, plant and equipment		80	(32)
Share of loss from equity-accounted joint venture		968	1,601
Interest income		(1,493)	(4,091)
Interest expense		2,535	3,221
Operating cash flows before working capital changes		6,283	8,711
Inventories		(62,940)	(7,557)
Notes receivables		14,800	(24,800)
Trade and other receivables		(460)	(226)
Receivable from immediate holding company		59,778	2,453
Trade and other payables		(4,174)	3,438
Cash flows generated from/(used in) operations		13,287	(17,981)
Interest received		1,493	4,091
Income tax paid		(894)	(823)
Net cash generated from/(used in) operating activities		13,886	(14,713)
Investing Activities			
Purchase of property, plant and equipment		(2,002)	(897)
Proceeds from disposal of property, plant and equipment		4	63
Net cash used in investing activities		(1,998)	(834)
Financing Activities			
Advances from immediate holding company	28	2,922	5,216
Advances from/(to) related parties		13	(13)
Proceeds from borrowings		49,910	74,790
Repayments of borrowings		(45,239)	(50,296)
Interest paid		(2,535)	(3,221)
Net cash generated from financing activities		5,071	26,476
Net increase in cash and cash equivalents		16,959	10,929
Cash and cash equivalents at the beginning of year		14,403	3,474
Cash and cash equivalents at the end of year	16	31,362	14,403

The accompanying notes form an integral part of the financial statements

Consolidated Statement of Cash Flows (cont'd)

For the financial year ended 30 June 2024



Reconciliation of liabilities arising from financing activities:

	CASH FLOW			NON-CASH CHANGES	AS AT 30 JUNE 2024 RMB'000
	AS AT 1 JULY 2023 RMB'000	NET PROCEEDS RMB'000	INTEREST PAYMENTS RMB'000	INTEREST EXPENSE RMB'000	
	Borrowings	34,385	4,671	(753)	
Advances to related parties	(20)	13	–	–	(7)
Advances from immediate holding company	53,419	2,922	(1,782)	1,782	56,341

	CASH FLOW			NON-CASH CHANGES	AS AT 30 JUNE 2023 RMB'000
	AS AT 1 JULY 2022 RMB'000	NET PAYMENTS RMB'000	INTEREST PAYMENTS RMB'000	INTEREST EXPENSE RMB'000	
	Borrowings	9,891	24,494	(1,013)	
Advances to related parties	(7)	(13)	–	–	(20)
Advances from immediate holding company	48,203	5,216	(2,208)	2,208	53,419

The accompanying notes form an integral part of the financial statements

NOTES TO THE *Financial Statements*



For the financial year ended 30 June 2024

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

Zhongxin Fruit and Juice Limited (the "Company") is a public limited liability company incorporated and domiciled in Singapore and is listed on the Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The Company's registered office is 25 International Business Park #02-53, German Centre, Singapore 609916 and its principal place of business is located in the People's Republic of China ("PRC").

The principal activity of the Company is that of investment holding. The principal activities of the joint venture and subsidiaries are set out in Notes 12 and 13, respectively.

The immediate holding company is SDIC Zhonglu Fruit Juice Co., Ltd. ("SDICZL"), a company incorporated in the 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 the PRC.

2. APPLICATION OF SINGAPORE FINANCIAL REPORTING STANDARDS (INTERNATIONAL) ("SFRS(I)S")

(a) Adoption of New and Revised Standards

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial years beginning on or after 1 July 2023. The adoption of these standards did not have any material effect on the financial performance or position of the Group or on the Group's accounting policies except as disclosed below:

Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Disclosure of Accounting Policies and SFRS(I) Practice Statement 2 Making Materiality Judgements

The amendments require entities to disclose their material accounting policies information rather than their significant accounting policies. It clarifies that accounting policy information may be material because of its nature, even if the related amounts are immaterial. Accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements. If an entity discloses immaterial accounting policy information, such information must not obscure material accounting policy information. The amended SFRS(I) Practice Statement 2 explains and demonstrates the application of the materiality process to accounting policy disclosures. The Group has applied materiality guidance in SFRS(I) Practice Statement 2 in identifying its material accounting policies for disclosures in the related notes. The previous term 'Significant Accounting Policies' used throughout the financial statements has been replaced with 'Material Accounting Policies'.

NOTES TO THE Financial Statements



For the financial year ended 30 June 2024

2. APPLICATION OF SINGAPORE FINANCIAL REPORTING STANDARDS (INTERNATIONAL) ("SFRS(I)S") (CONT'D)

(b) New and Revised Standards Issued but Not Yet Effective

At the date of authorisation of these financial statements, the Group has not adopted the following new and revised standards that have been issued and are relevant to the Group but not yet effective:

DESCRIPTION	EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON OR AFTER
Amendments to SFRS(I) 1-1: Presentation of Financial Statements – <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to SFRS(I) 1-1: Presentation of Financial Statements – <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to SFRS(I) 16: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to SFRS(I) 1-7: Supplier Finance Arrangements	1 January 2024
Amendments to SFRS(I) 1-21: The Effects of Changes in Foreign Exchange Rates – <i>Lack of Exchangeability</i>	1 January 2025
Amendments to SFRS(I) 10 and SFRS(I) 1-28: Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The directors of the Company do not expect that the adoption of these new and revised standards above will have a material impact on the financial statements in the period of initial application.

NOTES TO THE *Financial Statements*



For the financial year ended 30 June 2024

3. MATERIAL ACCOUNTING POLICIES

(a) Basis of Preparation

The consolidated financial statements of the Group and the statement of financial position of the Company have been prepared in accordance with the provision of the Companies Act 1967 (the "Act") and SFRS(I). The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below.

(b) Group Accounting

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previously-held equity interest in the acquiree over the fair value of the identifiable net assets acquired. Goodwill on acquisitions of subsidiaries is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment loss. Gains and losses on the disposal of subsidiaries, include the carrying amount of goodwill relating to the subsidiary sold.

The Group applies the acquisition method to account for business combinations when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether an integrated set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create output. The Group has an option to apply a 'fair value concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test can be applied on a transaction-by-transaction basis. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the test is met, the set of activities and assets is determined not to be a business and no further assessment is needed. If the test is not met, or if the Group elects not to apply the test, a detailed assessment must be performed applying the normal requirements in SFRS(I) 3.

NOTES TO THE *Financial Statements*



For the financial year ended 30 June 2024

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(b) Group Accounting (cont'd)

Subsidiaries (cont'd)

The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

If the total of consideration transferred, non-controlling interest recognised and previously-held interest measured is less than the fair value of the net assets of the subsidiary acquired as in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred assets. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals of interests in subsidiaries to non-controlling interests without loss of control are also recorded in equity.

NOTES TO THE *Financial Statements*



For the financial year ended 30 June 2024

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(b) Group Accounting (cont'd)

Subsidiaries (cont'd)

When the Group loses control of a subsidiary, it:

- derecognised the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- derecognised the carrying amount of any non-controlling interest (including any components of other comprehensive income attributable to them);
- recognises the fair value of the consideration received;
- recognised the fair value of any investment retained in the former subsidiary at its fair value;
- re-classified the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate; and
- recognises any resulting difference in profit or loss.

Joint Venture

Joint venture is entity over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Goodwill on acquisition of joint venture represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on joint venture is included in the carrying amount of the investment. Gains or losses on disposal of joint venture include the carrying amount of goodwill related to the entity sold.

Investment in joint venture is accounting for using the equity method of accounting less impairment losses, if any. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

When the Group reduces its ownership interest in joint venture, but the Group continues to equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

The Group's share of post-acquisition profit or loss is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in a joint venture equal or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

NOTES TO THE *Financial Statements*



For the financial year ended 30 June 2024

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(b) Group Accounting (cont'd)

Joint Venture (cont'd)

The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount in profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its joint venture are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the joint venture. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the assets transferred. Accounting policies of joint venture have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Investments in Subsidiaries and Joint Venture

Investments in subsidiaries and joint venture are carried at cost less accumulated impairment losses on the statement of financial position of the Company.

On disposal of investments in subsidiaries and joint venture, the difference between the net disposal proceeds and the carrying amount of the investments are recognised in the profit or loss.

(d) Revenue Recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Revenue excludes value-added tax and is arrived at after deduction of rebates and discounts, if any. No revenue is recognised if there are significant uncertainties regarding the recovery of the consideration due, associated costs or the possible return of goods.

Sales of goods

Sale of goods is recognised upon the control of the goods is transferred to the customer at the point the customer raised the purchase order with agreed transaction price at customer's designated warehouse.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

NOTES TO THE *Financial Statements*



For the financial year ended 30 June 2024

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(e) Government Grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately under other income in profit or loss.

Government grants relating to assets are recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss on a straight-line method over the useful lives of the related assets.

(f) Foreign Currencies

Functional and presentation currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates ("functional currency").

The Company's functional currency is Renminbi ("RMB"), which reflects the economic substance of the underlying events and circumstances of the Company. For the purpose of the consolidated financial statements, the results and financial position of each entity in the Group are expressed in RMB, which is the presentation currency for the consolidated financial statements.

All values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

Transactions and balances

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency ("foreign currencies") are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss. However, in consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

NOTES TO THE *Financial Statements*



For the financial year ended 30 June 2024

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(g) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(h) Employee Benefits

Pension obligation

Pursuant to the relevant regulations of the PRC government, the employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government ("the Central Pension Scheme"), whereby the Group's subsidiaries in the PRC are required to contribute a certain percentage of the basic salaries of their employees to the Central Pension Scheme. The only obligation of the Group with respect to the Central Pension Scheme is to pay the ongoing required contributions under the Central Pension Scheme. Contributions under the Central Pension Scheme are charged to profit or loss as incurred. The assets of the Central Pension Scheme are held separately from those of the Group in independently administered funds.

Defined benefit retirement plan

The cost of providing benefits under defined benefit retirement plans is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on settlements);
- Net interest expense or income; and
- Remeasurement of the net defined benefit liability/(asset) in other comprehensive income

The Group presents the first two components of defined benefit costs in profit or loss in employee benefits expense. Past service cost is recognised in profit or loss in the period of plan amendment. Curtailment gains and losses are accounted for as past service costs. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Remeasurement, comprising actual gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which remeasurement occurs. Remeasurement gains and losses are not reclassified to profit or loss subsequently.

NOTES TO THE *Financial Statements*



For the financial year ended 30 June 2024

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(h) Employee Benefits (cont'd)

Defined benefit retirement plan (cont'd)

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any such surplus is limited to the present value of economic benefits available in the form of estimated plan refunds and reductions in future plan contributions.

A liability for a termination benefit is recognised when the Group can no longer withdraw offer of these termination benefit, or when the entity recognises any related restructuring costs, whichever is earlier.

(i) Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. The Group periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and joint venture, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

NOTES TO THE *Financial Statements*



For the financial year ended 30 June 2024

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(i) Income Tax (cont'd)

Deferred tax (cont'd)

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The Group recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Current and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where the current and deferred tax arises from the initial accounting for a business combination, the tax effect is taken into account in the accounting for the business combination.

Value-added tax

The Group's sales of goods in the PRC are subject to value-added tax ("VAT") at the applicable rate of 17% for PRC domestic sales. Input VAT on purchases can be deducted from output VAT. The net amount of VAT recoverable from, or payable to, the taxation authorities is included as part of other receivables or other payables in the statement of financial position, respectively.

Revenue, expenses and assets are recognised net of the amount of VAT except where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authorities, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable and receivables and payables that are stated with the amount of VAT included.

NOTES TO THE *Financial Statements*



For the financial year ended 30 June 2024

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(j) Property, Plant and Equipment

Measurement

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The cost includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Depreciation

Depreciation is recognised so as to write off the depreciable amounts of the assets over their estimated useful lives, using the straight-line method.

The following useful lives are used in the calculation of depreciation:

Buildings	- 20 – 40 years
Plant and machinery	- 20 years
Furniture, fittings and office equipment	- 3 – 10 years
Motor vehicles	- 5 – 10 years

Depreciation of the property, plant and equipment commences when the assets are ready for their intended use.

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The effects of any revision are recognised in profit or loss when the changes arise.

Subsequent expenditure

Subsequent expenditure related to property, plant and equipment that has been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

NOTES TO THE *Financial Statements*



For the financial year ended 30 June 2024

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(j) Property, Plant and Equipment (cont'd)

Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Any amount in the revaluation reserve relating to that asset is transferred to retained earnings directly. No transfer is made from the revaluation reserve to retained earnings except when the asset is derecognised.

(k) Impairment of Non-financial Assets

Non-financial assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any), on an individual asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating-unit ("CGU") to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount where the revaluation was previously taken to other comprehensive income. In this case, such impairment loss of revalued asset is treated as a revaluation decrease.

NOTES TO THE *Financial Statements*



For the financial year ended 30 June 2024

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(k) Impairment of Non-financial Assets (cont'd)

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also credited to profit or loss.

(l) Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined on a weighted average basis and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Costs of conversion include direct labour, other direct costs and related production overheads which are allocated based on normal capacity of the production facilities. Normal capacity is the production expected to be achieved on average over a number of periods or season under normal circumstances.

Work-in-progress are fruit juice concentrate produced that have not been packaged.

(m) Cash and Cash Equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash at bank and on hand, and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(n) Financial Assets

Classification

i. Debt instruments

Financial assets that are debt instruments are classified into categories based on the Group's business model for managing them and their contractual cash flow characteristics.

- Financial Assets measured at Amortised Cost ("AC") comprise of assets that are held within a business model whose objective is to hold those assets for collection of contractual cash flows, and those contractual cash flows represent solely payments of principal and interest.

NOTES TO THE *Financial Statements*



For the financial year ended 30 June 2024

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(n) Financial Assets (cont'd)

Classification (cont'd)

i. Debt instruments (cont'd)

- Financial Assets measured at Fair Value through Other Comprehensive Income ("FVOCI") comprise of assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling those assets, and those contractual cash flows represent solely payments of principal and interest.
- Financial Assets measured at Fair Value through Profit and Loss ("FVPL") comprise of assets that do not qualify for AC and FVOCI. Assets that would otherwise qualify for AC or FVOCI may also be designated as FVPL upon initial recognition, if such designation eliminates or significantly reduces a measurement or recognition inconsistency that arises from measuring assets and liabilities on an inconsistent basis.

ii. Equity instruments

Financial assets that are equity instruments comprise mainly of investments in equity securities. The Group classifies these assets as FVPL, except for those that the Group has designated as FVOCI. The FVOCI designation is irrevocable, and is not permitted for held-for-trading financial assets and financial assets that represent contingent consideration in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Initial measurement

Trade receivables that do not contain a significant financing component are initially recognised at their transaction price. Other financial assets are initially recognised at fair value, plus, for financial assets that are not at FVPL, transaction costs that are directly attributable to their acquisition. Transaction costs of financial assets at FVPL are expensed in profit and loss.

NOTES TO THE *Financial Statements*



For the financial year ended 30 June 2024

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(n) Financial Assets (cont'd)

Subsequent measurement

i. Debt instruments

AC

These assets are subsequently measured at amortised cost using the effective interest method unless they are part of a designated hedging relationship. Impairment losses and reversals, interest income, and foreign exchange gains and losses (except where designated as a hedging instrument) on such assets are recognised in profit and loss. Interest income is based on the effective interest method which allocates interest income over the life of the financial asset based on an effective interest rate that discounts estimated future cash receipts to its gross carrying amount.

FVOCI

These assets are subsequently measured at fair value. Impairment losses and reversals, interest income based on the effective interest method, and foreign exchange gains and losses (except where designated as a hedging instrument) on such assets are recognised in profit and loss. Any remaining fair value movements are recorded in other comprehensive income.

FVPL

These assets are subsequently measured at fair value. All fair value movements are recorded in profit and loss.

ii. Equity instruments

Subsequent to initial recognition, all equity investments are measured at fair value. Changes in the fair value of FVPL equity investments are recognised in profit and loss, while changes in the fair value of FVOCI equity investments are recognised in other comprehensive income. All dividend income is recognised in profit and loss, except for dividends from FVOCI equity investments that clearly represent a recovery of the cost of investment.

NOTES TO THE *Financial Statements*



For the financial year ended 30 June 2024

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(n) Financial Assets (cont'd)

Impairment

At each reporting date, the Group assesses expected credit losses ("ECL") on the following financial instruments:

- Financial assets that are debt instruments measured at AC and FVOCI; and
- Contract assets

ECL is a probability-weighted estimate of credit losses. Credit losses are measured at the present value of all shortfalls between the cash flows due to the Group in accordance with contractual terms, and the cash flows that the Group actually expects to receive. ECL is discounted at the effective interest rate of the financial asset. The Group records allowances on financial assets based on either the:

- 12-month ECL – representing the ECL that results from default events that are possible within the 12 months after the reporting date (or the expected life of the instrument if shorter); or
- Lifetime ECL – representing the ECL that results from all possible default events over the expected life of the contract.

Simplified approach - Trade receivables and contract assets

For all trade receivables and contract assets, the Group adopts a simplified approach whereby an allowance for lifetime ECL is assessed upon initial recognition. The Group estimates lifetime ECL using a provision matrix based on historical credit loss experience, adjusted for various factors including debtor-specific factors, forward-looking information such as industry and economic forecasts, and others as appropriate.

General approach – All other financial instruments on which ECL assessment is required

For all other financial instruments on which ECL is assessed, an allowance for 12-month ECL is recorded upon initial recognition. The allowance is increased to lifetime ECL if the credit risk at each reporting date has increased significantly as compared to the credit risk at initial recognition. In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group considers all reasonable and supportable information that is relevant and available without undue cost or effort including both historical credit experience and forward-looking information.

The Group regards the following as events of default:

- events that make it unlikely for the borrower to repay in full unless the Group undertakes actions to recover the asset (e.g. by exercising rights over collaterals or other credit enhancements); or
- the financial instrument has become more than 1 year and 9 months past due.

NOTES TO THE *Financial Statements*



For the financial year ended 30 June 2024

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(n) Financial Assets (cont'd)

Impairment (cont'd)

Credit-impaired financial instruments

At each reporting date, the Group assesses whether a financial instrument on which ECL assessment is required has become credit-impaired. This is the case when one or more events have occurred that are considered to be detrimental to the estimated future cash flows of the instrument. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the borrower;
- a breach of contract such as a default or past due event;
- other lenders granting concessions (such as loan restructurings) to the borrower due to economic or contractual reasons, that would not have been considered in the absence of the borrower's financial difficulty;
- increasing likelihood that the borrower will enter bankruptcy or other financial re-organisation; and
- the disappearance of an active market for the borrower's securities due to financial difficulties.

For credit-impaired financial assets, interest income is determined by applying the effective interest rate to the net carrying amount of the financial asset (after deduction of the ECL allowance).

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, such as when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit and loss.

Recognition and derecognition

Financial assets are recognised when, and only when the Group becomes a party to its contractual provisions. All regular way purchases and sales of financial assets are recognised on trade-date, which is the date on which the Group commits to purchase or sell the financial asset.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

NOTES TO THE *Financial Statements*



For the financial year ended 30 June 2024

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(n) Financial Assets (cont'd)

Recognition and derecognition (cont'd)

On derecognition of a financial asset that is a debt instrument, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit and loss. In addition, for a financial asset that is a debt instrument at FVOCI, the cumulative gain or loss previously accumulated in the fair value adjustment reserve is reclassified to profit and loss.

On derecognition of an equity investment at FVPL, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit and loss. For equity investments at FVOCI, this difference is instead recognised directly in equity as part of retained earnings. Cumulative gains and losses previously accumulated in equity are also transferred directly to retained earnings upon derecognition of FVOCI equity investments.

(o) Financial Liabilities

Financial liabilities

The Group recognises financial liabilities on its statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instruments.

Financial liabilities are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial liability. All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least twelve months after the reporting period.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they have expired. The difference between the carrying amount of a financial liability that has been derecognised and the consideration paid and payable (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

NOTES TO THE *Financial Statements*



For the financial year ended 30 June 2024

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(p) Leases

When the Group is a lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

The Group recognises right-of-use assets and lease liabilities at the date which the underlying assets become available for use. Right-of-use assets are measured at cost, which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement dates, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

Right-of-use assets are subsequently depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the corresponding lease liabilities. The Group presents its right-of-use assets in "Right-of-use Assets" and lease liabilities in "Lease Liabilities" in the statement of financial position.

The initial measurement of lease liabilities is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments), less any lease incentives receivables;
- variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under residual value guarantees;
- the exercise price of a purchase option if it is reasonably certain to exercise the option; and
- payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease components. The Group has elected not to separate lease and non-lease components for property leases; instead, these are accounted for as one single lease component.

Lease liabilities are measured at amortised cost, and are remeasured when:

- there is a change in future lease payments arising from changes in an index or rate;
- there is a change in the Group's assessment of whether it will exercise lease extension and termination options;
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a modification to the lease term.

NOTES TO THE *Financial Statements*



For the financial year ended 30 June 2024

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(p) Leases (cont'd)

When the Group is a lessee (cont'd)

When lease liabilities are remeasured, corresponding adjustments are made against the right-of-use assets. If the carrying amounts of the right-of-use assets have been reduced to zero, the adjustments are recorded in profit or loss.

Variable lease payments that are based on an index or a rate are included in the measurement of the corresponding right-of-use assets and lease liabilities. Other variable lease payments are recognised in profit or loss when incurred.

Short-term leases and leases of low-value assets

The Group applies the exemption for all short-term leases (up to 12 months) and low-value assets on a lease-by-lease basis. All lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

(q) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are charged to equity.

(r) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive management whose members are responsible for allocating resources and assessing performance of the operating segments.

(s) Related Parties

A related party is defined as follows:

A related party is a person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the "reporting entity").

- a. A person or a close member of that person's family is related to a reporting entity if that person:
 - i. has control or joint control over the reporting entity;
 - ii. has significant influence over the reporting entity; or
 - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

NOTES TO THE *Financial Statements*



For the financial year ended 30 June 2024

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

- (s) Related Parties (cont'd)
 - b. An entity is related to a reporting entity if any of the following conditions applies:
 - i. the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - ii. one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - iii. both entities are joint ventures of the same third party;
 - iv. one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - v. the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
 - vi. the entity is controlled or jointly controlled by a person identified in (a);
 - vii. a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
 - viii. the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

In the application of the Group's accounting policies, which are described in Note 3 above, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgements in applying the accounting policies

In the preparation of the financial statements, management is of the opinion that there were no critical judgements and significant assumptions made in the process of applying the Group's accounting policies that have a significant effect on the amounts recognised in the financial statements.

NOTES TO THE *Financial Statements*



For the financial year ended 30 June 2024

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS (CONT'D)

(b) Key sources of estimation uncertainty

Allowance for expected credit loss ("ECL") of trade receivables and notes receivables

For trade receivables, the Group determines the ECL by using the individual (debtor-by-debtor) basis as at the reporting date in view that there was only 1 trade debtor (30 June 2023: 1 trade debtor) and the trade amount due from the immediate holding company constituted 100% (30 June 2023: 100%) of the Group's trade receivables as at that date. For notes receivables, the notes receivables are considered to have a low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition.

For trade receivables, there is estimation used in the measurement of lifetime expected credit losses and forward-looking assumptions. The amount of ECL 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. For notes receivables, the loss allowance is measured at an amount equal to 12-month ECL which reflects the low credit risk of the exposures.

The carrying amount of the Group's trade receivables and notes receivables at the reporting date are disclosed in Note 18 and Note 17, respectively. The information about the ECL on the Group's trade receivables and notes receivables is disclosed in Note 32.

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 technical obsolescence 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 at the reporting date is disclosed in Note 14. 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. A 10% difference in the expected useful lives of these assets from management's estimates would result in approximately 17.8% (2023: 7.5%) variance in the Group's results for the financial year.

NOTES TO THE *Financial Statements*



For the financial year ended 30 June 2024

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS (CONT'D)

(b) Key sources of estimation uncertainty (cont'd)

Allowance for inventory obsolescence

Management carries out an inventory review at the end of each reporting period to determine any need for allowance for inventory obsolescence. 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 reporting date is disclosed in Note 22.

Income taxes

The Group has exposure to income taxes in the PRC jurisdiction. 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. Further details of the Group's income tax are disclosed in Note 10.

Impairment of idle property, plant and equipment

Property, plant and equipment are assessed for impairment whenever there is indication that the assets may be impaired. If any such indication exists, an impairment assessment will be performed accordingly. The recoverable amount of the assets is assessed as the higher of fair value less costs of disposal and value in use.

Details of the carrying amount of the Group's idle production machinery in property, plant and equipment and the related impairment assessment carried out by management at the reporting date is disclosed in Note 14.

NOTES TO THE Financial Statements



For the financial year ended 30 June 2024

5. REVENUE

- (a) Disaggregation of revenue from contracts with customers

Revenue of the Group represents the value of the goods sold to customers, net of sales discount and returns. It includes sales of fruit juice concentrate to immediate holding company and related parties as disclosed in Note 31.

	GROUP	
	2024 RMB'000	2023 RMB'000
<u>Revenue</u>		
<i>Fruit juice production:</i>		
Concentrated apple juice	88,250	85,968
Concentrated pear juice	7,014	10,936
Concentrated peach juice	1,206	–
Apple essence	794	1,362
Fructose	37,202	15,908
Fruit pomace	815	359
	135,281	114,533
<i>Timing of transfer of goods :</i>		
At a point in time	135,281	114,533

- (b) Contract balances

	GROUP	
	2024 RMB'000	2023 RMB'000
<u>Contract liabilities</u> – current		
Advance receipts from customer	–	3,544

Significant changes in contract liabilities balances during the financial year are disclosed as follows:

	GROUP	
	2024 RMB'000	2023 RMB'000
<u>Contract liabilities</u>		
Revenue recognised that was included in the contract liabilities balance at the beginning of the period	(3,544)	–
Increase due to cash received, excluding amounts recognised as revenue during the financial year	–	3,544

NOTES TO THE Financial Statements



For the financial year ended 30 June 2024

6. OTHER OPERATING INCOME

	GROUP	
	2024	2023
	RMB'000	RMB'000
Amortisation of deferred capital grant	6	6
Gain on disposal of property, plant and equipment	–	32
Government grants/incentives	7	5
Interest income from immediate holding company (a)	1,474	4,081
Interest income from banks	19	10
Rental income (b)	244	196
Write back of impairment loss - other receivables	130	30
Foreign currency exchange gain	–	126
Others	4	8
	1,884	4,494

(a) During the financial year, the outstanding receivables from the Group's immediate holding company bear fixed interest rate at 3.65% (2023: 4.35%) per annum.

(b) Rental income is an ad-hoc transaction under normal business operations and it did not incur any future commitment.

7. STAFF COST

	GROUP	
	2024	2023
	RMB'000	RMB'000
Wages and salaries	7,825	7,457
Employer's contribution to PRC's defined contribution national pension scheme	1,339	817
Other staff costs	1,195	686
Directors' fees (Note 9)	234	236
	10,593	9,196
Staff cost charged to:		
Administrative expenses	3,962	2,985
Capitalised in inventories (Note 22)	6,631	6,211
	10,593	9,196

NOTES TO THE Financial Statements



For the financial year ended 30 June 2024

7. STAFF COST (CONT'D)

Compensation of key management personnel

Key management's (directors and key executive officers) remuneration are as follows:

	GROUP	
	2024	2023
	RMB'000	RMB'000
Wages and salaries	513	396
Employer's contribution to PRC's defined contribution national pension scheme	111	97
	624	493
Directors' fees (Note 9)	234	236
	858	729
Directors of the Company	234	236
Key management personnel	624	493
	858	729

8. FINANCE COSTS

	GROUP	
	2024	2023
	RMB'000	RMB'000
Interest on borrowings:		
- with respect to advances from immediate holding company	1,782	2,208
- with respect to borrowings	753	1,013
Others	65	7
	2,600	3,228

NOTES TO THE Financial Statements



For the financial year ended 30 June 2024

9. PROFIT BEFORE INCOME TAX

	GROUP	
	2024	2023
	RMB'000	RMB'000
This was arrived at after charging:		
Amortisation of right of use assets (Note 15)	186	187
Audit fees paid/payable to:		
Auditors of the Company	475	481
Other auditors - non-network firms	111	130
Depreciation of property, plant and equipment (Note 14)	989	1,071
Staff costs:		
<u>Include in administrative expenses</u>		
- Directors' fees (Note 7)	234	236
- Wages and salaries	2,729	2,031
- Employer's contribution to PRC's defined contribution national pension scheme	533	384
- Other staff costs	466	334
	3,962	2,985
Operating lease expense – short-term leases	2,450	1,535

There are no other non-audit fees paid/payable to the auditors of the Company and other auditors.

NOTES TO THE Financial Statements



For the financial year ended 30 June 2024

10. INCOME TAX

	GROUP	
	2024 RMB'000	2023 RMB'000
Current income tax:		
- current year	694	823
Withholding tax:		
- current year	200	-
	894	823

The corporate income tax applicable to the Group is 25% (2023: 25%) as the entities of the Group mainly operating in the PRC are subject to the said corporate income tax rate.

A reconciliation between income tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial year ended 30 June were as follows:

	GROUP	
	2024 RMB'000	2023 RMB'000
Profit before income tax	3,154	6,790
Income tax using the applicable tax rate	789	1,698
Effect of different tax rate in Singapore	197	162
Expenses not deductible	521	353
Income not subject to tax*	(1,903)	(3,191)
Deferred tax assets not recognised	1,090	1,801
Withholding tax expenses	200	-
	894	823

* Amount is mainly attributed to the qualifying operating profits of the Group's subsidiaries in the PRC which are fully exempted from PRC corporate income tax under Section 149 of Finance Bill (2008).

Pursuant to Section 149 of Finance Bill (2008), a special incentive was granted by the tax authorities to PRC companies engaging in the preliminary processing of farm products. Pursuant to this special incentive, the qualifying operating profits of the PRC companies would be fully exempted from the PRC corporate income tax.

Deferred tax assets are recognised for unutilised tax losses carried forward to the extent that the realisation of the related tax benefits through future taxable profit is probable. As at 30 June 2024, the Group has unutilised tax losses of approximately RMB16,637,000 (2023: RMB12,265,000), which can be carried forward and used to offset against future taxable income of those entities in the Group in which the losses arose, are subject to the agreement of the tax authorities and compliance with the relevant provisions of the tax legislation of the respective countries in which the entities operate. The unutilised tax losses can be carried forward no longer than five years starting from the year subsequent to the year in which the loss was incurred. The unutilised tax losses of RMB5,742,000, RMB6,524,000 and RMB4,371,000 will be expired in the financial year ended 30 June 2026, 30 June 2028 and 30 June 2029 (2023: RMB5,742,000 and RMB6,524,000 will be expired in the financial year ended 30 June 2026 and 30 June 2028), respectively.

The deferred tax assets arising from these unutilised tax losses of approximately RMB4,159,000 (2023: RMB3,066,000) have not been recognised in accordance with the Group's accounting policy as disclosed in Note 3(i).

NOTES TO THE Financial Statements

For the financial year ended 30 June 2024



10. INCOME TAX (CONT'D)

No provision for Singapore tax has been made as the Company, which has corporate income tax rate of 17% (2023: 17%), did not derive taxable income in Singapore in current and prior financial years.

11. EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing the net profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during each reporting period. There are no potential dilutive shares for the financial years ended 30 June 2024 and 2023.

	GROUP	
	2024	2023
Net earnings for the year (RMB'000)	2,260	5,967
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,055,459,201	1,055,459,201
Basic and Diluted earnings per share (RMB cents per share)	0.21	0.57

12. INVESTMENT IN JOINT VENTURE

	GROUP		COMPANY	
	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
Unquoted share at cost	28,336	28,336	23,336	23,336
Less: Allowance for impairment loss	–	–	(16,989)	(16,989)
Share of losses	(16,965)	(16,002)	–	–
	11,371	12,334	6,347	6,347
<i>Movements in share of loss:</i>				
As at 1 July	(16,002)	(14,401)		
Share of loss for the year	(968)	(1,601)		
Share of other comprehensive income for the year	5	–		
As at 30 June	(16,965)	(16,002)		

NOTES TO THE Financial Statements



For the financial year ended 30 June 2024

12. INVESTMENT IN JOINT VENTURE (CONT'D)

The details of the joint venture as at 30 June are as follows:

NAME OF JOINT VENTURE	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION/ PRINCIPAL PLACE OF BUSINESS	PROPORTION OF OWNERSHIP INTEREST HELD BY THE GROUP	
			2024	2023
			%	%
Linyi SDIC Zhonglu Fruit Juice Co., Ltd. ("Linyi")*	Production of fruit juice concentrate and apple pomace animal feed.	The People's Republic of China ("PRC")	50	50

* The financial statements of the joint venture for the financial year ended 30 June 2024 and 30 June 2023 are audited by Da Hua Certified Public Accountants, a member of Moore Global Network Limited for group consolidation purposes.

Summarised financial information in respect of the joint venture based on its SFRS(I) financial statements (and not the Group's share of those amounts), and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised statement of financial position

	2024 RMB'000	2023 RMB'000
Cash and cash equivalents	154	2,029
Other current assets	66,130	80,195
Total current assets	66,284	82,224
Non-current assets	20,977	23,807
Total assets	87,261	106,031
Current financial liabilities (excluding trade payables)	(19,805)	(55,035)
Other current liabilities (including trade payables)	(44,714)	(26,326)
Total current liabilities	(64,519)	(81,361)
Net assets	22,742	24,670
Proportion of the Group's ownership	50%	50%
Group's share of net assets	11,371	12,334

NOTES TO THE Financial Statements



For the financial year ended 30 June 2024

12. INVESTMENT IN JOINT VENTURE (CONT'D)

Summarised financial information in respect of the joint venture based on its SFRS(I) financial statements (and not the Group's share of those amounts), and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows: (cont'd)

Summarised statement of profit or loss and other comprehensive income

	2024	2023
	RMB'000	RMB'000
Revenue	90,618	61,373
Cost of sales	(83,016)	(55,472)
Gross profit	7,602	5,901
Other operating income	22	11
Operating expenses	(6,648)	(6,845)
Interest expense	(2,621)	(1,794)
Depreciation and amortisation	(292)	(336)
Loss before income tax	(1,937)	(3,063)
Income tax	–	(139)
Loss for the year	(1,937)	(3,202)
Other comprehensive income for the year, net of tax		
<i>Item that will not be reclassified to profit or loss</i>		
Defined benefit plan remeasurements	10	–
Total comprehensive loss for the year	(1,927)	(3,202)

NOTES TO THE Financial Statements



For the financial year ended 30 June 2024

13. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2024 RMB'000	2023 RMB'000
Unquoted equity shares, at cost	65,627	65,627
Add: Foreign exchange	21	21
Less: Allowance for impairment loss	(46,175)	(46,175)
	19,473	19,473
<i>Movements in allowance for impairment loss:</i>		
As at 1 July	46,175	46,175
Allowance for the year	–	–
As at 30 June	46,175	46,175

The details of the subsidiaries as at 30 June are as follows:

NAME OF SUBSIDIARIES	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION/ PRINCIPAL PLACE OF BUSINESS	PROPORTION OF OWNERSHIP INTEREST		COST OF INVESTMENTS	
			2024	2023	2024	2023
			%	%	RMB'000	RMB'000
Xuzhou Zhongxin Fruit and Juice Company Limited* ("Xuzhou Zhongxin")	Production of fruit juice concentrate and garlic processing	PRC	100	100	46,154	46,154
Yuncheng Zhongxin Fruit and Juice Company Limited* ("Yuncheng Zhongxin")	Production of fruit juice concentrate	PRC	100	100	19,473	19,473
					65,627	65,627

* The financial statements of the subsidiaries for the financial year ended 30 June 2024 and 30 June 2023 are audited by Da Hua Certified Public Accountants, a member of Moore Global Network Limited for group consolidation purposes.

Impairment assessment

As at 30 June 2024 and 30 June 2023, no further allowance for impairment loss for the Company's investment in subsidiaries was recognised at the reporting date.

NOTES TO THE Financial Statements



For the financial year ended 30 June 2024

14. PROPERTY, PLANT AND EQUIPMENT

	BUILDINGS	PLANT & MACHINERY	FURNITURE, FITTINGS & OFFICE EQUIPMENT	MOTOR VEHICLES	TOTAL
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Group					
<u>2024</u>					
Cost:					
As at 1 July 2023	64,224	91,273	4,212	2,557	162,266
Additions	94	1,848	52	8	2,002
Disposals	(105)	(29)	(118)	(168)	(420)
As at 30 June 2024	64,213	93,092	4,146	2,397	163,848
<i>Accumulated depreciation and impairment loss:</i>					
As at 1 July 2023	35,123	79,213	3,743	2,315	120,394
Depreciation for the year	2,110	1,867	69	29	4,075
Disposals	(35)	(25)	(114)	(162)	(336)
As at 30 June 2024	37,198	81,055	3,698	2,182	124,133
<i>Carrying amount:</i>					
As at 30 June 2024	27,015	12,037	448	215	39,715
<u>2023</u>					
Cost:					
As at 1 July 2022	64,224	90,783	4,155	2,557	161,719
Additions	–	840	57	–	897
Disposals	–	(350)	–	–	(350)
As at 30 June 2023	64,224	91,273	4,212	2,557	162,266
<i>Accumulated depreciation and impairment loss:</i>					
As at 1 July 2022	33,015	77,666	3,336	2,211	116,228
Depreciation for the year	2,108	1,866	407	104	4,485
Disposals	–	(319)	–	–	(319)
As at 30 June 2023	35,123	79,213	3,743	2,315	120,394
<i>Carrying amount:</i>					
As at 30 June 2023	29,101	12,060	469	242	41,872

NOTES TO THE Financial Statements

For the financial year ended 30 June 2024



14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	FURNITURE, FITTINGS & OFFICE EQUIPMENT RMB'000
Company	
<i>Cost:</i>	
As at 1 July 2023 and 30 June 2024	166
<i>Accumulated depreciation:</i>	
As at 1 July 2023 and 30 June 2024	165
<i>Carrying amount:</i>	
As at 1 July 2023 and 30 June 2024	1

	GROUP		COMPANY	
	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
Depreciation expense charged to:				
Administrative expenses	805	889	–	–
Distribution expenses	184	182	–	–
Total charged to profit or loss (Note 9)	989	1,071	–	–
Capitalised in inventories (Note 22)	3,086	3,414	–	–
	4,075	4,485	–	–

Idle production machinery in property, plant and equipment

The Group's property, plant and equipment ("PPE") included certain production machinery of Xuzhou Zhongxin which were idle as Xuzhou Zhongxin had ceased its production of concentrated apple juice since prior years.

On 19 June 2024, Xuzhou Zhongxin received a relocation notice from a PRC government agency. Negotiations for the sale of the building and land (Note 15) have not yet begun and are expected to be completed after 12 months following the end of the financial year. As at 30 June 2024, the carrying amount of these idle production machinery amounted to RMB2.72 million (2023: RMB2.96 million).

In the last financial year, the Group engaged a firm of independent valuers to determine the fair value of the idle production machinery at the reporting date. The fair value was determined using the Replacement Cost Approach, which is based on an estimate of the market value for the existing use of the production machinery, plus the current cost of replacement less deduction for physical deterioration and all relevant forms of obsolescence and optimisation. Management has made a judgement this year that the fair value will not differ significantly from the valuation report.

As at 30 June 2024 and 2023, no further allowance for impairment loss of Xuzhou Zhongxin's idle production machinery was recognised as the recoverable amounts, based on fair value less costs of disposal, were determined to be higher than the respective carrying amounts at the reporting date.

NOTES TO THE Financial Statements



For the financial year ended 30 June 2024

15. RIGHT OF USE ASSETS

	GROUP	
	2024	2023
	RMB'000	RMB'000
<i>Cost:</i>		
As at 1 July and 30 June	9,253	9,253
<i>Accumulated amortisation:</i>		
As at 1 July	2,934	2,747
Amortisation for the year (Note 9)	186	187
As at 30 June	3,120	2,934
<i>Carrying amount:</i>		
As at 30 June	6,133	6,319

The details of the transferable right of use assets are as follows:

ADDRESS OF LAND PLOT	TENURE	TOTAL LAND AREA (SQUARE METRES)
Eastern Part of Fengyu Road, Fengxian, Xuzhou, Jiangsu Province, PRC	From 25 May 2004 to 23 May 2054	140,958
Southern Part of Sanzhao Road, Sunji Town, Linyixian, Yuncheng, Shanxi Province, PRC	From 4 March 2010 to 31 July 2059	64,936

The Group has made upfront payments to secure the right of use ("ROU") assets of 50 years which is used in the Group's operations.

NOTES TO THE Financial Statements



For the financial year ended 30 June 2024

16. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
Cash and bank balances	31,362	14,403	1,851	409

The Renminbi is not freely convertible into foreign currencies. Under the PRC Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange Renminbi for foreign currencies through banks that are authorised to conduct foreign exchange business.

	GROUP	
	2024	2023
	RMB'000	RMB'000
Cash and cash equivalents per consolidated statement of cash flows – cash and bank balances	31,362	14,403

Cash and bank balances are denominated in the following currencies:

	GROUP		COMPANY	
	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
Renminbi	29,512	13,994	–	–
Singapore dollar	1,850	409	1,851	409
	31,362	14,403	1,851	409

17. NOTES RECEIVABLES

	GROUP	
	2024	2023
	RMB'000	RMB'000
Current		
- Notes receivables	10,000	24,800

The notes receivables bear interest of 2.85% per annum (30 June 2023: 3.50%) and mature in October 2024 (30 June 2023: mature in January 2024).

NOTES TO THE Financial Statements



For the financial year ended 30 June 2024

17. NOTES RECEIVABLES (CONT'D)

The notes receivables as at 30 June 2024 and 30 June 2023 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.

18. TRADE RECEIVABLES

	GROUP	
	2024 RMB'000	2023 RMB'000
Trade receivables		
- immediate holding company	32,156	91,934

Trade receivables from immediate holding company are unsecured, bear interest at 3.65% per annum (2023: 4.35%) and generally on 60 days terms.

The Group determines the ECL of trade receivables by using the individual (debtor-by-debtor) basis at the reporting date in view that there was only 1 trade debtor and the trade amounts due from the immediate holding company constituted 100% (30 June 2023: 100%) of the Group's trade receivables as at that date.

The Group's credit risk exposure in relation to trade receivables and amount due from immediate holding company (trade) from contracts with customers at the reporting date are set out in the provision matrix as presented below.

	CURRENT RMB'000	← PAST DUE (DAYS) →			TOTAL RMB'000
		1 - 90 DAYS RMB'000	91 TO 270 DAYS RMB'000	> 270 DAYS RMB'000	
<u>2024</u>					
Expected credit loss rate	*	*	*	*	
Trade receivables	-	-	-	-	-
Trade amounts due from immediate holding company	22,590	9,566	-	-	32,156
	22,590	9,566	-	-	32,156
Loss allowance - lifetime ECL	-	-	-	-	-
					32,156

* ECL rate considered insignificant.

NOTES TO THE Financial Statements



For the financial year ended 30 June 2024

18. TRADE RECEIVABLES (CONT'D)

The Group's credit risk exposure in relation to trade receivables and amount due from immediate holding company (trade) from contracts with customers at the reporting date are set out in the provision matrix as presented below. (cont'd)

	CURRENT RMB'000	← PAST DUE (DAYS) →			TOTAL RMB'000
		1 - 90 DAYS RMB'000	91 TO 270 DAYS RMB'000	> 270 DAYS RMB'000	
<u>2023</u>					
Expected credit loss rate	*	*	*	*	
Trade receivables	–	–	–	–	–
Trade amounts due from immediate holding company	16,955	39,135	35,844	–	91,934
	16,955	39,135	35,844	–	91,934
Loss allowance - lifetime ECL	–	–	–	–	–
					91,934

* ECL rate considered insignificant.

19. OTHER RECEIVABLES

	GROUP		COMPANY	
	2024 RMB'000	2023 RMB'000	2024 RMB'000	2023 RMB'000
Other receivables:				
- Non-related parties (a)	2,016	1,861	–	–
Less: Allowance for impairment loss	(1,552)	(1,682)	–	–
	464	179	–	–
Deposits	–	750	–	–
Value-added-tax receivable	20	–	–	–
	484	929	–	–

NOTES TO THE Financial Statements



For the financial year ended 30 June 2024

19. OTHER RECEIVABLES (CONT'D)

- (a) Included in other receivables is an amount of RMB1,430,000 (2023: RMB1,560,000) that relates to Xuzhou Zhongxin's remaining balance of compensation for the dismantlement of land in 2015. The said amount has been fully impaired as it has been long outstanding.

	GROUP		COMPANY	
	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
<i>Movements in allowance for impairment loss:</i>				
As at 1 July	1,682	1,712	–	–
Write-back during the year	(130)	(30)	–	–
As at 30 June	1,552	1,682	–	–

20. RECEIVABLE FROM SUBSIDIARIES

	COMPANY	
	2024	2023
	RMB'000	RMB'000
Receivable from subsidiaries	61,650	61,650
Less: Allowance for impairment loss	(41,210)	(41,210)
	20,440	20,440

Amounts receivable from subsidiaries are non-trade, unsecured, interest-free and is repayable on demand.

	COMPANY	
	2024	2023
	RMB'000	RMB'000
<i>Movements in allowance for impairment loss:</i>		
As at 1 July	41,210	41,210
Allowance for the year	–	–
As at 30 June	41,210	41,210

21. RECEIVABLE FROM RELATED PARTIES

Amounts receivable from related parties are non-trade, unsecured, interest-free and are repayable on demand.

NOTES TO THE Financial Statements



For the financial year ended 30 June 2024

22. INVENTORIES

	GROUP		COMPANY	
	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
Raw materials	2,264	2,568	–	–
Work-in-progress	3,034	2,687	–	–
Finished goods	100,091	34,108	–	–
	105,389	39,363	–	–
Less: Allowance for inventory obsolescence	(269)	(269)	–	–
	105,120	39,094	–	–

The cost of inventories recognised as an expense and included in “Cost of sales” amounted to approximately RMB105,549,000 (2023: RMB79,554,000).

Staff cost of approximately RMB6,631,000 (2023: RMB6,211,000) were absorbed into the cost of inventories (Note 7).

Depreciation expense of approximately RMB3,086,000 (2023: RMB3,414,000) were absorbed into the cost of inventories (Note 14).

23. SHARE CAPITAL

	GROUP AND COMPANY			
	2024		2023	
	NO OF SHARES	RMB'000	NO OF SHARES	RMB'000
<i>Issued and fully paid:</i>				
<u>Ordinary shares</u>				
As at 1 July and 30 June	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.

24. CONTRIBUTED SURPLUS

The contributed surplus was related to the waiver of amount owing to a related company with common director in 2006. This reserve is not available for dividend distribution to shareholders.

NOTES TO THE Financial Statements



For the financial year ended 30 June 2024

25. STATUTORY AND OTHER RESERVES

In accordance with the relevant laws and regulations of the PRC, the subsidiaries of the Group established in the PRC are required to transfer 10% of their profit after income tax prepared in accordance with the accounting regulations in the PRC to the Statutory Reserve Fund ("SRF") until the reserve balance reaches 50% of the relevant subsidiary's registered capital. Subject to the approval from the relevant PRC authorities, such reserve may be used to reduce any losses incurred or for capitalisation as paid-up capital. The SRF is not available for dividend distribution to shareholders.

Movements in the statutory and other reserves are set out in the consolidated statement of changes in equity of the Group.

26. DEFERRED CAPITAL GRANT

	GROUP	
	2024	2023
	RMB'000	RMB'000
<i>Cost:</i>		
As at 1 July	240	240
Received during the year	–	–
As at 30 June	240	240
<i>Accumulated amortisation:</i>		
As at 1 July	34	28
Amortisation for the year (Note 6)	6	6
As at 30 June	40	34
<i>Carrying amount:</i>		
As at 30 June	200	206

Deferred capital grants relate to government grants received by Yuncheng Zhongxin for the development of its factory's water treatment upgrading work and water conservation project. These grants are amortised over 40 years and no unfulfilled conditions or contingencies attached to these grants.

NOTES TO THE Financial Statements



For the financial year ended 30 June 2024

27. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables:				
- third parties	1,068	2,295	–	–
Accrued operating expenses	1,551	1,456	1,071	863
Accrued salaries, bonus and directors' remuneration	2,442	2,419	291	399
VAT payable	842	393	–	–
	5,903	6,563	1,362	1,262

Trade payables to third parties are unsecured, non-interest bearing and are generally on 30 to 60 days terms.

28. PAYABLE TO IMMEDIATE HOLDING COMPANY

Amounts payable to immediate holding company are non-trade, unsecured, repayable on demand and bore variable interest rate according to PRC central bank borrowing rates.

29. BORROWINGS

	GROUP	
	2024	2023
	RMB'000	RMB'000
Current:		
- trade financing	9,908	24,672
- short-term bank loan	29,148	9,713
	39,056	34,385

Trade financing bores a fixed interest of 2.85% (30 June 2023: 3.50%) per annum, is repayable within 12 months and 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 the contracting financial institutions.

The short-term bank loans were unsecured, bore interest at 2.60% (30 June 2023: 2.80%) per annum and were obtained for working capital purpose. The borrowing tenure is 1 year from June 2024 (30 June 2023: from June 2023).

NOTES TO THE *Financial Statements*



For the financial year ended 30 June 2024

30. SEGMENT INFORMATION

Operating segments are identified based on the internal reports about components of the Group that are regularly reviewed by the Company's management (the "Management") and the Board for the purpose of resource allocation and performance assessment.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets and expense, interest-bearing borrowings and related expenses and income. The Group operates in a single business segment which is the production of fruit juice concentrate. No operating segments have been aggregated to form the following reportable operating segment.

(a) Business segment

The Group had only one operating segment for the years ended 30 June 2024 and 2023, namely 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.

(b) Geographical information

There is no breakdown by geographical markets of revenue and non-current assets information as the Group's operations and customers were predominantly based in the PRC.

(c) Information about major customer

Revenue from one major customer of approximately RMB128,494,000 (2023: RMB102,913,500) was derived from the immediate holding company (Note 31) for sale of fruit juice concentrate, which constituted approximately 95.0% (2023: 89.9%) of the Group's total revenue.

NOTES TO THE Financial Statements



For the financial year ended 30 June 2024

31. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in the financial statements, the Group had the following transactions with related parties that took place at terms agreed between the parties during the financial year:

	GROUP	
	2024 RMB'000	2023 RMB'000
<i>Sales to:</i>		
- immediate holding company, SDICZL	128,494	102,914
- related party, HeBei SDIC ZhongLu Fruit And Vegetable Juice Co., Ltd. ("Hebei SDIC")	460	46
- related party, Rushan Zhongcheng Fruit Juice Beverage Co., Ltd. ("Rushan Zhongcheng")^	25	70
- related party, Shandong Luling Fruit Juice Co., Ltd ("Shandong Luling")^	–	739
- related party, Fuping Zhonglu Fruit and Vegetable Juice Co., Ltd. ("Fuping Zhonglu")^	–	64
- joint venture, Linyi	–	3
<i>Purchases from:</i>		
- immediate holding company, SDICZL	–	304
- related party, Shanxi SDIC Zhonglu Fruit Juice Co., Ltd ("Shanxi SDIC")^	894	–
- related party, Yunnan SDIC Zhonglu Fruit Juice Co., Ltd. ("Yunnan SDIC")^	2	–
- related party, Shandong Luling	–	4,195
- related party, Rushan Zhongcheng	–	3,392
- joint venture, Linyi	47	2
Payment to a related party, Qingdao SDIC Zhonglu Fruit Juice Co., Ltd. ("Qingdao SDIC") for lease of certain storage facility	249	–
Interest paid with respect to the loans and advances provided by immediate holding company, SDICZL	1,782	2,207
Interest received from SDICZL with respect to the interest charged on the outstanding trade receivable and note receivable due from immediate holding company, SDICZL	1,474	4,081

NOTES TO THE Financial Statements



For the financial year ended 30 June 2024

31. RELATED PARTY TRANSACTIONS (CONT'D)

In addition to the transactions detailed elsewhere in the financial statements, the Group had the following transactions with related parties that took place at terms agreed between the parties during the financial year: (cont'd)

	GROUP	
	2024	2023
	RMB'000	RMB'000
Sales by joint venture, Linyi to:		
- immediate holding company, SDICZL	45,064*	30,520*
- Yuncheng Zhongxin	24*	1*
- related party, Rushan Zhongcheng^	2*	–
- related party, Shandong Luling^	–	13*
Purchases by joint venture, Linyi from:		
- related party, Rushan Zhongcheng^	–	2*
Purchase of equipment by joint venture, Linyi from Xuzhou Zhongxin	–	2*
Payment to Qingdao SDIC for lease of certain storage facility	26*	51*
Interest paid by joint venture, Linyi to immediate holding company, SDICZL for loans and advances received from immediate holding company, SDICZL	463*	638*

^ These companies are subsidiaries of SDICZL, which has common controlling shareholder with the Company.

* Based on the effective equity interest of the Group in Linyi of 50%.

32. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The Board of Directors of the Company reviews and agrees policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process. These risks include credit risk, foreign currency risk, interest rate risk and liquidity risk. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks. The following sections provide details regarding the Group's/ Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

NOTES TO THE *Financial Statements*



For the financial year ended 30 June 2024

32. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (con'td)

(a) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. In order to minimise credit risk, the Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group generally do not require collateral. The Group reviews the recoverable amount of each trade receivable and debt investment on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts. At the reporting date, the Group does not have significant credit risk exposure to any individual customer's balance of trade receivables. The Group's maximum exposure to credit risk arises from the carrying amount of the respective recognised financial assets as present on the statement of financial position.

i. Trade receivables

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables. In measuring the expected credit losses, trade receivables are based on its shared credit risk characteristics and numbers of days past due. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Further details on the loss allowance of the Group's credit risk exposure in relation to trade receivables and trade amounts due from immediate holding company are disclosed in Note 18.

ii. Note receivables and other receivables

For the purpose of impairment assessment, note receivables and other receivables are considered to have low credit risk as there has been no significant increase in the risk of default on the other receivables since initial recognition except for certain other receivables as disclosed in Note 19. Accordingly, for the purpose of impairment assessment for these note receivables and other receivables, the loss allowance is measured at an amount equal to 12-month ECL.

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in measuring the loss allowance using 12-month ECL and management has determined the ECL is insignificant except for certain other receivables as disclosed in Note 19.

Further details on the loss allowance of the Group's credit risk exposure in relation to other receivables is disclosed in Note 19.

NOTES TO THE Financial Statements



For the financial year ended 30 June 2024

32. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (con'td)

(a) Credit risk (cont'd)

iii. Cash and bank balances

The cash and bank balances are entered into with bank and financial institution that have high credit-ratings.

Impairment on cash and bank balances has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and bank balances have low credit risk based on the external credit ratings of the counterparties. The Company uses a similar approach for assessment of ECLs for cash and bank balances to those used for debt investments. The amount of the allowance on cash and bank balances was immaterial.

Credit risk grading guideline

Management has established the Group's internal credit risk grading to the different exposures according to their degree of default risk. The internal credit risk grading which is used to report the Group's credit risk exposure to key management for credit risk management purposes are as follows:

INTERNAL RATING GRADES	DEFINITION	BASIS OF RECOGNITION OF EXPECTED CREDIT LOSS (ECL)
i. Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
ii. Under-performing	There has been a significant increase in credit risk since initial recognition.	Lifetime ECL (not credit-impaired)
iii. Non-performing	There is evidence indicating that the asset is credit-impaired.	Lifetime ECL (credit impaired)
iv. Write-off	There is evidence indicating that there is no reasonable expectation of recovery as the debtor is in severe financial difficulty.	Asset is written off

NOTES TO THE Financial Statements



For the financial year ended 30 June 2024

32. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (con'td)

(a) Credit risk (cont'd)

Credit risk exposure

The credit quality of the Group's/Company's financial assets, as well as maximum exposure to credit risk by credit risk rating grades is presented as follows:

	INTERNAL CREDIT RATING	ECL	GROSS CARRYING AMOUNT RMB'000	LOSS ALLOWANCE RMB'000	NET CARRYING AMOUNT RMB'000
Group					
<u>2024</u>					
Trade receivable from immediate holding company	Note 1	Lifetime ECL (simplified)	32,156	–	32,156
Note receivables	Performing	12-month ECL	10,000	–	10,000
Other receivables	Performing	12-month ECL	464	–	464
Other receivables	Non- performing	Lifetime ECL (credit impaired)	1,552	(1,552)	–
Receivable from related parties	Performing	12-month ECL	7	–	7
<u>2023</u>					
Trade receivable from immediate holding company	Note 1	Lifetime ECL (simplified)	91,934	–	91,934
Note receivables	Performing	12-month ECL	24,800	–	24,800
Other receivables	Performing	12-month ECL	929	–	929
Other receivables	Non- performing	Lifetime ECL (credit impaired)	1,682	(1,682)	–
Receivable from related parties	Performing	12-month ECL	20	–	20

Note 1 - The Group determines the ECL by using the individual (debtor-by-debtor) basis at the reporting date in view that there was only 1 trade debtor and the trade amounts due from the immediate holding company constituted 100% (2023: 100%) of the Group's trade receivables as at that date.

NOTES TO THE Financial Statements



For the financial year ended 30 June 2024

32. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (con'td)

(a) Credit risk (cont'd)

Credit risk exposure (cont'd)

The credit quality of the Group's/Company's financial assets, as well as maximum exposure to credit risk by credit risk rating grades is presented as follows: (cont'd)

	INTERNAL CREDIT RATING	ECL	GROSS CARRYING AMOUNT RMB'000	LOSS ALLOWANCE RMB'000	NET CARRYING AMOUNT RMB'000
Company					
<u>2024</u>					
Receivable from subsidiaries	Performing	12-month ECL	20,440	–	20,440
Receivable from subsidiaries	Non-performing	Lifetime ECL (credit impaired)	41,210	(41,210)	–
<u>2023</u>					
Receivable from subsidiaries	Performing	12-month ECL	20,440	–	20,440
Receivable from subsidiaries	Non-performing	Lifetime ECL (credit impaired)	41,210	(41,210)	–

Information regarding the loss allowance of receivables from subsidiaries is disclosed in Note 20.

(b) Foreign currency risk

Foreign currency risk refers to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group/Company has minimal monetary balances denominated in Singapore dollar. Accordingly, the exposure to foreign exchange risk from monetary balances denominated in Singapore dollar is minimal. In addition, the Group's operating activities are mainly carried out in Renminbi. The risk arising from movements in foreign exchange rates is minimised as the Group has minimal transactions in foreign currencies.

The Group and the Company does not hedge foreign currency exposure using derivative financial instruments. The Group and the Company manages foreign currency risks by close monitoring of the timing of inception and settlement of the foreign currency transactions.

The Group's/Company's exposure to foreign currency risk is considered not to be significant and therefore no sensitivity analysis has been disclosed in the financial statements.

NOTES TO THE *Financial Statements*



For the financial year ended 30 June 2024

32. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (con'td)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group is exposed to the PRC central bank borrowing rates and the Group's results is affected by the changes on interest expenses from the payable to immediate holding company which are at floating interest rates.

If the floating interest rates had been higher/lower by 50 basis points (2023: 50 basis points) with all other variables being held constant, the profit before income tax of the Group would have been lower/higher by RMB 282,000 (2023: RMB267,000) as a result of higher/lower interest expense on the payable to immediate holding company.

The Group's interest-bearing borrowings as disclosed in Note 29 are at fixed rate.

(d) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the financial obligations due to shortage of funds. The Group's/Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities. The Group's/Company's objective is to maintain a balance between continuity of funding from the immediate holding company and flexibility through the use of credit facilities.

NOTES TO THE Financial Statements



For the financial year ended 30 June 2024

32. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (con'td)

(d) Liquidity risk (cont'd)

The table below summarises the maturity profile of the Group's/Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	CARRYING AMOUNT RMB'000	WITHIN 1 YEAR RMB'000	BETWEEN 2 TO 5 YEARS RMB'000	TOTAL RMB'000
Group				
<u>2024</u>				
<i>Financial liabilities</i>				
Borrowings	39,056	40,185	–	40,185
Payable to immediate holding company	56,341	58,426	–	58,426
Trade and other payables*	5,061	5,061	–	5,061
	100,458	103,672	–	103,672
<u>2023</u>				
<i>Financial liabilities</i>				
Borrowings	34,385	35,361	–	35,361
Payable to immediate holding company	53,419	55,775	–	55,775
Trade and other payables*	6,170	6,170	–	6,170
Contract liabilities	3,544	3,544	–	3,544
	97,518	100,850	–	100,850
Company				
<u>2024</u>				
<i>Financial liabilities</i>				
Trade and other payables	1,362	1,362	–	1,362
<u>2023</u>				
<i>Financial liabilities</i>				
Trade and other payables	1,262	1,262	–	1,262

* Exclude VAT payable.

NOTES TO THE *Financial Statements*



For the financial year ended 30 June 2024

32. FINANCIAL INSTRUMENTS (CONT'D)

Capital risk management

The primary objective of the Group's capital management is to ensure it maintains healthy capital ratios in order to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2023.

The Group/Company is not subject to any significant externally imposed capital requirements.

Management reviews the capital structure of the Group and makes adjustment to it, in light of changes in economic conditions. Management considers the cost of capital and the risks associated with each class of capital. The Group monitors capital using the net debt-to-equity ratio. The Group's debt includes all liabilities less cash and cash equivalents. Equity includes all capital and reserves of the Group that are managed as capital.

	GROUP	
	2024	2023
	S\$'000	S\$'000
Net debt	70,138	83,714
Equity	137,061	134,766
Net debt-to-equity ratio	0.51	0.62

33. FAIR VALUE MEASUREMENT

The carrying amounts of the Group's and the Company's financial assets and financial liabilities approximate their fair values due to their short-term maturity.

34. EVENT OCCURRING AFTER REPORTING PERIOD

On 26 July 2024, authorities conducted an inspection and performed a valuation of the Property, Plant and Equipment ("PPE") on Xuzhou Zhongxin's premises. As at date of the report, negotiations for the sale of the building and land have not yet begun.

35. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 30 June 2024 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 2 October 2024.

STATISTICS OF Shareholdings

As At 30 September 2024



SHARE CAPITAL AND VOTING RIGHTS

Number of shares issued	:	1,055,459,201
Issued and fully paid-up capital	:	S\$50,627,565.45
Class of shares	:	ordinary shares
Voting rights	:	One vote per ordinary share
Treasury shares	:	Nil
Subsidiary holdings	:	Nil

SUBSTANTIAL SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS	DIRECT INTEREST		DEEMED INTEREST		TOTAL %
	NUMBER OF SHARES	%	NUMBER OF SHARES	%	
SDIC Zhonglu Fruit Juice Co., Ltd.	560,598,425	53.11	-	-	53.11
State Development and Investment Corporation	-	-	560,598,425	53.11	53.11 ¹
Ho Kam Har	163,171,897	15.46	-	-	15.46
Go Twan Heng	120,750,399	11.44	-	-	11.44

Note:

1. State Development and Investment Corporation is deemed to be interested in the shares held by SDIC Zhonglu Fruit Juice Co., Ltd. by virtue of Section 6 of the Companies Act 1967.

SHAREHOLDING HELD IN PUBLIC HANDS

Approximately 19.99% of the shareholding of the Company is held in the hands of the public as at 30 September 2024 and Rule 723 of the Catalist Rule is complied with.

STATISTICS OF Shareholdings

As At 30 September 2024



DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS		NO. OF SHARES	
		%		%
1 - 99	2	0.22	31	0.00
100 - 1,000	46	5.14	32,569	0.00
1,001 - 10,000	374	41.74	2,016,960	0.19
10,001 - 1,000,000	454	50.67	51,143,119	4.85
1,000,001 AND ABOVE	20	2.23	1,002,266,522	94.96
TOTAL	896	100.00	1,055,459,201	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	SDIC ZHONGLU FRUIT JUICE CO., LTD	560,598,425	53.11
2	HO KAM HAR	163,171,897	15.46
3	GO TWAN HENG	120,750,399	11.44
4	GO WEI HO	34,212,000	3.24
5	SHANXI BODING INDUSTRY & TRADE CO., LTD	29,000,000	2.75
6	XI'AN KINGFAR ENTERPRISE LTD	28,672,401	2.72
7	LIM CHEE SAN OR TAN TEE GIAM	16,650,000	1.58
8	CHINA ORIGIN INVESTMENT LTD	13,900,000	1.32
9	CGS INTERNATIONAL SECURITIES PTE. LTD.	10,910,000	1.03
10	LAKESIDE EMPLOYEE HOLDINGS LIMITED	4,500,000	0.43
11	SOH CHUNG HIAN	4,030,000	0.38
12	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	3,074,000	0.29
13	LOW WENG KEONG	2,800,000	0.27
14	GOH GEOK KHIM	2,400,000	0.23
15	ONG SWEE WHATT	1,450,700	0.14
16	PHILLIP SECURITIES PTE LTD	1,415,500	0.13
17	TOH LAI KENG	1,375,000	0.13
18	CITIBANK NOMINEES SINGAPORE PTE LTD	1,235,000	0.12
19	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	1,105,800	0.10
20	YIT CHEE WAH	1,015,400	0.10
	TOTAL	1,002,266,522	94.97

Notice of Annual General Meeting



NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of Zhongxin Fruit and Juice Limited (the “**Company**”) will be held at RNN Conference Centre, 137 Cecil Street, #04-01, Cecil Building, Singapore 069537 on Tuesday, 29 October 2024 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors’ Statement and Audited Financial Statements of the Company for the financial year ended 30 June 2024 together with the Independent Auditors’ Report thereon. **(Resolution 1)**
2. To approve the proposed Directors’ fees of S\$44,407 for the financial year ended 30 June 2024. (2023: S\$44,226/-). **(Resolution 2)**
3. To approve the proposed Directors’ fees of S\$43,969 for the financial year ending 30 June 2025, to be paid quarterly in arrears. **(Resolution 3)**
4. To re-elect Mr. Liu Xiaoyan who is retiring pursuant to Regulation 117 of the Company’s Constitution. *[See Explanatory Note (a)]* **(Resolution 4)**
5. To re-elect Mr. Wang Ming who is retiring pursuant to Regulation 117 of the Company’s Constitution. *[See Explanatory Note (b)]* **(Resolution 5)**
6. To re-elect Mr. Cai Huixin who is retiring pursuant to Regulation 117 of the Company’s Constitution. *[See Explanatory Note (c)]* **(Resolution 6)**
7. To re-appoint Messrs Moore Stephens LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**
8. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without modifications:

9. AUTHORITY TO ALLOT AND ISSUE SHARES

THAT pursuant to Section 161 of the Companies Act 1967 and the Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), authority be and is hereby given to the Directors of the Company to:

- (a) (i) allot and issue shares in the capital of the Company (“**Shares**”) (whether by way of rights, bonus or otherwise); and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and

Notice of Annual General Meeting



- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this resolution was in force, provided that:-
- (i) the aggregate number of Shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below);
 - (ii) subject to such calculation and adjustments as may be prescribed by the SGX-ST, for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (1) new Shares arising from the conversion or exercise of convertible securities;
 - (2) new Shares arising from the exercising of share options or the vesting of share awards which are outstanding or subsisting at the time this Resolution is passed, provided that the share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
 - (3) any subsequent bonus issue, consolidation or subdivision of the Shares;
- (c) in exercising the authority conferred by this Resolution, the Company shall comply with the rules, measures, guidelines, practice notes, and other materials issued by the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), in particular the SGX-ST Listing Manual and the Company's Constitution for the time being; and
- (d) unless revoked or varied by the Company in a general meeting, the authority so conferred shall continue to be in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier."

[See Explanatory Note (d)]

(Resolution 8)

10. PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

THAT:-

- (a) approval be and is hereby given for the renewal of the Shareholders' Mandate, for the purposes of Chapter 9 of the Catalist Rules, for the Company, its subsidiaries that are entities at risk (as that term is used in Chapter 9 of the Catalist Rules) or any of them, to enter into any of the transactions falling within the types of the interested person transactions as set out in the Addendum accompanying the Annual Report 2024, with SDIC Interested Persons (as defined in the Addendum), provided that such transactions are made on commercial terms and in accordance with the review procedures for such interested person transactions;
- (b) the approval given in sub-paragraph (a) above (the "IPT Mandate") shall unless revoked or varied by the Company in general meeting, continue in force until the next annual general meeting of the Company;

Notice of Annual General Meeting



- (c) the Directors and any of them be and are hereby authorised to complete and do all such acts and things (including approving, amending, modifying, supplementing and executing and delivering such documents and affixing common seal of the Company to any such documents, if necessary), as they or any of them may in their absolute discretion deem expedient, desirable or necessary or in the interest of the Company to give effect to the transactions contemplated and/or authorised by the IPT Mandate and/or this Resolution.

[See Explanatory Note (e)]

(Resolution 9)

By Order of the Board

Tong Shan
Company Secretary

14 October 2024
Singapore

Notice of Annual General Meeting



Explanatory Notes:

- (a) Key information on Mr. Liu Xiaoyan, who is seeking re-election as a Director of the Company, can be found under "Disclosure of Information on Directors Seeking Re-election" of the Annual Report. Mr. Liu Xiaoyan will remain as a Lead Independent Director, Chairman of the Audit Committee and Remuneration Committee and a member of the Nominating Committee upon re-election as a Director of the Company. Mr. Liu Xiaoyan is considered by the Board to be independent for the purposes of Rule 704(7) of the Catalist Rules.
- (b) Key information on Mr. Wang Ming, who is seeking re-election as a Director of the Company, can be found under "Disclosure of Information on Directors Seeking Re-election" of the Annual Report. Mr. Wang Ming will remain as an Independent Director, Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee upon re-election as a Director of the Company. Mr. Wang Ming is considered by the Board to be independent for the purposes of Rule 704(7) of the Catalist Rules.
- (c) Key information on Mr. Cai Huixin, who is seeking re-election as a Director of the Company, can be found under "Disclosure of Information on Directors Seeking Re-election" of the Annual Report. Mr. Cai Huixin will remain as an Executive Director and General Manager of the Company upon re-election as a Director of the Company.
- (d) The proposed ordinary resolution 8, if passed, will empower the Directors of the Company to allot and issue Shares and/or Instruments from the date of the AGM and such authority will, unless previously revoked or varied at a general meeting, expire at the next general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier. The aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted) which the Directors may allot and issue under this Resolution, shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings). For issues of Shares and convertible securities other than on a pro-rata basis to all shareholders, the aggregate number of Shares and convertible securities to be issued shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings). However, notwithstanding the cessation of this authority, the Directors are empowered to issue Shares pursuant to any convertible securities issued under this authority.
- (e) The proposed ordinary resolution 9, if passed, will renew the IPT Mandate and empower the Directors of the Company to do all acts necessary to give effect to the IPT Mandate as described in the Addendum accompanying the Annual Report 2024. The authority shall, unless revoked or varied by the Company in a general meeting, continue to be in force until the date that the next annual general meeting of the Company is held or required by law to be held.

Notes:

1. The AGM will be held physically at the venue, date and time stated above. **There will be no option for members to participate virtually.** Printed copies of this Notice of AGM and the accompanying proxy form as well as a request form for the members to opt to receive hard copy of the Annual Report, will be sent by post to members. These documents as well as the Annual Report will also be published on the SGXNet website at the URLs <https://www.sgx.com/securities/company-announcements>. Members, including CPF and SRS investors, are able to ask questions and vote at the AGM in person, or by appointing proxy(ies) and representative(s) to do so on their behalf.
2. A member of the Company (other than a "Relevant Intermediary") entitled to attend, speak and vote at the Annual General Meeting of the Company is entitled to appoint Chairman of the Annual General Meeting or not more than two proxies to attend, speak and vote in his/her stead. A proxy need not be a shareholder of the Company. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shares to be represented by each such proxy, failing which the nomination shall be deemed to be alternative.

Notice of Annual General Meeting



A **Relevant Intermediary** may appoint more than two proxies provided that each proxy must be appointed to exercise the rights attached to different shares held by him (which number and class of shares shall be specified). Where such member's proxy form appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

"**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967:

- (a) a banking corporation licensed under the Banking Act 1970 or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;
 - (b) a capital markets services licence holder which provides custodial services for securities under the Securities and Futures Act 2001 and holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
3. A proxy need not be a member of the Company.
 4. The Proxy Form must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
 5. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must (failing previous registration with the Manager), be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
 6. Members are advised to give specific instructions as to voting or abstentions from voting on the resolutions set out in the Proxy Form. The Proxy Form attached to the Notice of AGM can be downloaded from the Company's announcement on SGXNet from <https://www.sgx.com/securities/company-announcements>.
 7. The deposit of an instrument of proxy does not preclude a member concerned from attending and voting in person at the meeting, as well as for any adjournment of the meeting to which it relates. In such an event, the appointment of the proxy(ies) is deemed to be revoked by the member concerned at the point when the member attends the AGM.
 8. The proxy form must be submitted to the Company in the following manner:
 - (a) if submitted by post, be lodged at the registered office of the Company at 25 International Business Park, #02-53 German Centre, Singapore 609916; or
 - (b) if submitted electronically, be submitted via email to admin@zhongxinfj.com.

in either case, by 27 October 2024, 11.00 a.m. being 48 hours before the time fixed for the AGM.

A member who wishes to submit a proxy form must complete and sign the proxy form, before submitting it by post to the address provided above, or before sending it by email to the email address provided above.

Members are strongly encouraged to submit completed proxy forms electronically via email.

Notice of Annual General Meeting



9. Members, including CPF/SRS investors, who hold shares through their relevant intermediaries (as defined in Section 181 of the Act), which would include in the case of CPF/SRS investors, their respective CPF Agent Banks/SRS Operators, may:
- (a) vote at the AGM if they are appointed as proxies by their relevant intermediaries (including CPF Agent Banks or SRS Operators) and should contact them if they have any queries regarding their appointment as proxies; or
 - (b) appoint the Chairman of the AGM as proxy to vote on their behalf;

in which case, they should approach their relevant intermediaries to submit their voting instructions by **Friday, 18 October 2024 at 11.00 a.m.**, being at least seven (7) working days before the AGM.

10. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing proxy). In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing proxy lodged if such members are not shown to have shares entered against their names in the Depository Register as at seventy-two (72) hours before the time appointed for the AGM, as certified by The Central Depository (Pte) Limited to the Company.
11. Submission of Questions

Members, including CPF and SRS investors may submit questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM. Members, CPF and SRS investors may submit questions electronically by **Tuesday, 22 October 2024 at 11.00 a.m.** in the following manner:

- (a) if submitted by **email**, to be received by the Company at email to admin@zhongxinfr.com; or
- (b) if submitted by **post**, be deposited at the registered office of the Company at 25 International Business Park, #02-53 German Centre, Singapore 609916.

Members who submit questions via email or by post to the Company must provide the following information:

- (a) the member's full name;
- (b) NRIC/Passport Number;
- (c) the member's address; and
- (d) the manner in which the member holds Shares in the Company (e.g., via CDP, scrip, CPF or SRS).

12. Addressing questions

The Company will address all substantial and relevant questions raised at the AGM during the AGM itself and will address all substantial and relevant questions submitted in advance of the AGM by 24 October 2024. The Company will publish the minutes of the AGM on the SGX-ST's website within one month after the AGM and the minutes will include the responses to the substantial and relevant questions which are addressed during the AGM.

Notice of *Annual General Meeting*



PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



ZHONGXIN FRUIT AND JUICE LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200208395H)

Board of Directors:

Liu Yu (Non-Executive Non-Independent Director)
Cai Huixin (Executive Director)
Liu Xiaoyan (Lead Independent Director)
Wang Ming (Independent Director)

Registered Office:

25 International Business Park,
#02-53 German Centre,
Singapore 609916

14 October 2024

To: The Shareholders of ZHONGXIN FRUIT AND JUICE LIMITED ("Company")

Dear Sir/Madam,

ADDENDUM RELATING TO THE PROPOSED RENEWAL OF GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS ("PROPOSED RENEWAL OF IPT MANDATE")

1. INTRODUCTION

The Directors wish to seek approval of Shareholders at the annual general meeting ("**AGM**") of the Company to be held on Tuesday, 29 October 2024 at 11.00 a.m. for the Proposed Renewal of IPT Mandate.

The purpose of this Addendum, to be circulated to Shareholders together with the annual report of the Company for the financial year ended 30 June 2024 ("**Annual Report**"), is to provide Shareholders with relevant information pertaining to the aforesaid proposal to be tabled as a special business at the AGM and to seek Shareholders' approval for the resolution relating to the same. The notice of the AGM ("**Notice of AGM**") is set out on pages 115 to 121 of the Annual Report.

2. THE PROPOSED RENEWAL OF IPT MANDATE

2.1 BACKGROUND

The Company anticipates that any entity of the Company and its subsidiaries ("**Zhongxin Group**"), being the entities at risk would, in the ordinary course of business, enter into transactions with persons which are considered "Interested Persons" as defined in Chapter 9 of the Catalist Rules. It is likely that such transactions will occur with some degree of frequency and could arise at any time and from time to time.

Chapter 9 of the Catalist Rules permits a listed company to seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses) that may be carried out with the interested persons, provided such transactions are entered into at an arm's length basis and on normal commercial terms and are not prejudicial to the interests of the listed company and its minority shareholders.

Addendum

Shareholders had approved the adoption of the general mandate for interested person transactions (“**IPT Mandate**”) at the extraordinary general meeting of the Company held on 30 October 2020 (“**EGM**”) to enable Zhongxin Group to enter into transactions with SDIC Zhonglu Fruit Juice Co., Ltd. (“**SDICZL**”), and its associates listed in Appendix A (“**SDICZL Interested Persons**”), provided that such SDICZL Interested Person Transactions are carried out on normal commercial terms and in accordance with the review procedures set out in the Circular to Shareholders dated 15 October 2020 (“**Circular 2020**”).

The Directors propose to seek the approval of Shareholders for the IPT Mandate to be renewed at the AGM. The renewed IPT Mandate (“**Renewed IPT Mandate**”) will take effect from the date of the passing of the ordinary resolution relating thereto at the AGM and continue in force until the conclusion of the next annual general meeting of the Company.

The Renewed IPT Mandate will cover the following transactions (“**SDICZL Interested Person Transactions**”):

- (a) the recurring working capital financing provided by SDICZL Interested Persons to Zhongxin Group;
- (b) the provision of treasury services by SDICF or another SDICZL Interested Person to Zhongxin Group;
- (c) the sale of products of the Zhongxin Group to SDICZL Interested Person(s); and
- (d) the appointment of any SDICZL Interested Person(s) as distributor(s) of Zhongxin Group.

The scope of the Renewed IPT Mandate, the details of such SDICZL Interested Persons, details of the proposed SDICZL Interested Person Transactions, the approval and review procedures for the SDICZL Interested Person Transactions and the general administrative procedure for SDICZL Interested Person Transactions remain unchanged from the IPT Mandate set out in the Circular 2020. The full version of the Renewed IPT Mandate is set out in Appendix B of this Addendum.

2.2 RATIONALE FOR THE PROPOSED RENEWAL OF IPT MANDATE AND BENEFITS TO SHAREHOLDERS

The Recurring Working Capital Financing provided by SDICZL Interested Persons to Zhongxin Group

Zhongxin Group's requirement for working capital during the apple and other fruits production season is critical as apple and other fruits production are seasonal in nature. Zhongxin Group needs sufficient working capital to purchase apples or other fruits from suppliers to produce apple and other fruit juice concentrate and related products for the forthcoming and future apple and other fruits pressing seasons.

Working capital is also required for Zhongxin Group to purchase fresh agriculture products from the farmers.

The Company believes that the Renewed IPT Mandate will enable Zhongxin Group additional flexibility to tap on the financial support from the SDICZL Interested Persons as and when the need arises. As apple, fruits, garlic and other agriculture products are perishable, it is unlikely that a supplier will be willing to set aside the stock while waiting for the buyer's confirmation on funding to purchase the stock. If the Company is constantly required to seek Shareholders' approval for the financing transactions with the SDICZL Interested Persons, the Company will have to expend substantial administrative time and resources as well as incur additional expenses associated therewith. Zhongxin Group will also risk losing its suppliers if it does not have sufficient working capital to finance the purchase of stock.

Addendum

The Provision of Treasury Services by SDIC Finance Co., Ltd. ("SDICF") or another SDICZL Interested Person to Zhongxin Group

SDICZL has an arrangement with all its subsidiaries and associated companies to which they may place their excess funds in PRC with SDICF or another SDICZL Interested Person from time to time, in respect of which SDICF or another SDICZL Interested Person will pay interest at rates which are agreed between the parties. In turn, SDICF or another SDICZL Interested Person will place such consolidated funds with financial institution(s) in PRC. This arrangement is extended to Zhongxin Group, and from time to time, Zhongxin Group may place funds with SDICF or another SDICZL Interested Person for which Zhongxin Group will receive interest from SDICF or another SDICZL Interested Person on such amounts.

Zhongxin Group will only place funds with SDICF or another SDICZL Interested Person, if the interest rate quoted by SDICF or another SDICZL Interested Person is higher than the highest of the interest rates quoted by 2 principal bankers of Zhongxin Group in PRC of comparable terms. The Renewed IPT Mandate will allow Zhongxin Group to enjoy a higher interest rate by placing funds with SDICF or another SDICZL Interested Person as compared to depositing funds from its principal bankers.

The Sale of Products of Zhongxin Group to SDICZL Interested Persons

SDICZL group of companies is one of the biggest exporters of concentrated juice in PRC. The local market for concentrated juice is highly competitive, and the overseas markets generally offer a better price. Zhongxin Group's production volume is not big enough to participate in overseas markets efficiently. As such, Zhongxin Group has sold concentrated juice to SDICZL Interested Persons under the IPT Mandate, and Zhongxin Group shall continue to sell concentrated juice to SDICZL Interested Person(s). The Renewed IPT Mandate separates the proposed sale of concentrated juice to SDICZL Interested Person(s) and the appointment of SDICZL Interested Person(s) as distributor.

The Appointment of SDICZL Interested Persons as Distributor(s) or Agent(s) of Zhongxin Group

Zhongxin Group has appointed SDICZL Interested Persons as non-exclusive distributors under the IPT Mandate, and Zhongxin Group shall continue to rely on the sales networks of SDICZL Interested Person(s) as Zhongxin Group currently does not have the resources to establish a sizeable sales and distribution team.

As the aggregate transaction value of the above SDICZL Interested Person Transactions may exceed 5% of Zhongxin Group's latest audited net tangible assets, the Company is proposing to table the resolution in respect of the Proposed Renewal of IPT Mandate for approval by Shareholders at the AGM. The Renewed IPT Mandate and the renewal thereof on an annual basis is intended to facilitate the SDICZL Interested Person Transactions which are likely to be transacted with some frequency from time to time, provided that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

Please refer to Appendix B of this Addendum for information on methods and procedures put in place to ensure the above SDICZL Interested Person Transactions, if carried out, are on normal commercial terms and not prejudicial to Company and minority Shareholders.

2.3 DISCLOSURES

The Company will announce the aggregate value of transactions conducted with the SDICZL Interested Persons pursuant to the Renewed IPT Mandate for each financial period on which the Company is required to report on pursuant to the Catalist Rules.

Disclosure will also be made in the annual report of the Company on the aggregate value of the SDICZL Interested Person Transactions conducted pursuant to the Renewed IPT Mandate during the current financial year, and in the annual reports for the subsequent financial years during which the renewal is in force, in accordance with the Catalist Rules.



3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders in the Company as at the latest practicable date on 30 September 2024 (“**Latest Practicable Date**”), as recorded in the Company’s Register of Directors’ Shareholdings and the Register of Substantial Shareholders, were as follows:

	NUMBER OF SHARES			
	DIRECT INTEREST	DEEMED INTEREST	TOTAL INTEREST	% OF TOTAL ISSUED SHARES
Directors	–	–	–	–
Liu Yu	–	–	–	–
Cai Huixin	–	–	–	–
Liu Xiaoyan	–	–	–	–
Wang Ming	–	–	–	–
Substantial Shareholders (other than Directors)				
SDICZL	560,598,425	–	560,598,425	53.11
State Development and Investment Corporation ⁽¹⁾	–	560,598,425	560,598,425	53.11
Ho Kam Har	163,171,897	–	163,171,897	15.46
Go Twan Heng	120,750,399	–	120,750,399	11.44

Note:

(1) State Development and Investment Corporation is deemed to be interested in the 560,598,425 shares held by SDICZL by virtue of Section 6 of the Companies Act 1967.

4. AUDIT COMMITTEE’S STATEMENT

The Audit Committee (other than Mr. Liu Yu) has reviewed the terms of the Renewed IPT Mandate and confirms that the review procedures proposed by the Company as set out in Appendix B to this Addendum are sufficient to ensure that the SDICZL Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

The Audit Committee further confirms that the methods or procedures for determining the transaction prices for SDICZL Interested Person Transactions under the Renewed IPT Mandate have not changed since the EGM.

Mr. Liu Yu is nominated by SDICZL, and hence, shall abstain from expressing any views and making any recommendation on the Proposed Renewal of IPT Mandate.

5. DIRECTORS’ RECOMMENDATION

Having reviewed and considered the rationale for and benefits of the Proposed Renewal of IPT Mandate and the views of the Audit Committee, the Directors (excluding Mr. Liu Yu) are of the opinion that the Proposed Renewal of IPT Mandate is beneficial to, and in the best interests of the Company. Accordingly, the Directors (excluding Mr. Liu Yu) recommend that Shareholders vote in favour of the Ordinary Resolution 9 relating to the Proposed Renewal of IPT Mandate as set out in the Notice of AGM.

Addendum

The Directors (excluding Mr. Liu Yu) are of the opinion that the Renewed IPT Mandate is not prejudicial to the interests of the Company and its minority Shareholders and are satisfied that the review procedures set out in Appendix B to this Addendum are sufficient to ensure that the SDICZL Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

Mr. Liu Yu is nominated by SDICZL and hence, shall abstain from expressing any views and making any recommendation of the Proposed Renewal of IPT Mandate.

6. ANNUAL GENERAL MEETING

The AGM, notice of which is set out in the Annual Report, will be held on 29 October 2024 at 11.00 a.m. for the purpose of considering and if, thought fit, passing, with or without modification, the resolution relating to the Proposed Renewal of IPT Mandate at the AGM.

7. DIRECTORS' RESPONSIBILITY STATEMENT

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

8. ABSTENTION FROM VOTING

SDICZL and its associates will abstain from voting on the Ordinary Resolution 9 relating to the Proposed Renewal of IPT Mandate as set out in the Notice of AGM. Mr. Liu Yu will also not accept nominations to act as proxy, corporate representative or attorney to vote in respect of Ordinary Resolution 9 unless the Shareholder appointing him indicates clearly how votes are to be cast in respect of Ordinary Resolution 9.

9. DOCUMENTS AVAILABLE FOR INSPECTION

The Constitution of the Company may be inspected by Shareholders at the registered office of the Company at 25 International Business Park #02-53 German Centre Singapore 609916 during normal business hours from the date of this Addendum up to the date of the AGM.

Yours faithfully,

For and on behalf of Zhongxin Fruit and Juice Limited

Liu Xiaoyan
Lead Independent Director



LIST OF INTERESTED PERSONS

Names of SDICZL Interested Person with whom Zhongxin Group may be transacting:

	CHINESE NAME	NAME	NATURE OF RELATIONSHIP
1	国投中鲁果汁股份有限公司	SDIC ZHONGLU FRUIT JUICE CO., LTD.	SDICZL
2	国投中鲁果汁有限公司	No English name	Associate of SDICZL
3	山西国投中鲁果汁有限公司	SHANXI SDIC ZHONGLU FRUIT JUICE CO., LTD.	Associate of SDICZL
4	云南国投中鲁果汁有限公司	YUNNAN SDIC ZHONGLU FRUIT JUICE CO., LTD.	Associate of SDICZL
5	辽宁国投中鲁果汁有限公司	LIAONING SDIC ZHONGLU FRUIT JUICE CO., LTD.	Associate of SDICZL
6	乳山中诚果汁饮料有限公司	RUSHAN ZHONGCHENG JUCIE AND BEVERAGE CO., LTD.	Associate of SDICZL
7	中鲁（欧洲）有限公司	ZHONGLU (EUROPE) SP. Z O.O.	Associate of SDICZL
8	中鲁美洲有限公司	ZHONGLU AMERICA CORPORATION	Associate of SDICZL
9	河北国投中鲁果蔬汁有限公司	HEBEI SDIC ZHONGLU FRUIT AND VEGETABLE JUICE CO., LTD.	Associate of SDICZL
10	山东鲁菱果汁有限公司	SHANDONG LULING FRUIT JUICE CO., LTD.	Associate of SDICZL
11	富平中鲁果蔬汁有限公司	FUPING ZHONGLU FRUIT AND VEGETABLE JUICE CO., LTD.	Associate of SDICZL
12	万荣中鲁果汁有限公司	WANRONG ZHONGLU FRUIT JUICE CO., LTD.	Associate of SDICZL
13	临猗国投中鲁果汁有限责任公司	LINYI SDIC ZHONGLU FRUIT JUICE CO., LTD.	Associate of SDICZL
14	青岛国投中鲁果汁有限公司	QINGDAO SDIC ZHONGLU FRUIT JUICE CO., LTD.	Associate of SDICZL
15	国投中鲁（山东）农牧发展有限公司	SDIC ZHONGLU (SHANDONG) AGRICULTURE AND ANIMAL HUSBANDRY DEVELOPMENT CO., LTD.	Associate of SDICZL
16	山东力合中鲁果蔬加工有限公司	No English name	Associate of SDICZL
17	国投中鲁研发中心	SDIC ZHONGLU RESEARCH AND DEVELOPMENT CENTER	Associate of SDICZL
18	国投中鲁乳山研发中心	SDIC ZHONGLU RUSHAN RESEARCH AND DEVELOPMENT CENTER	Associate of SDICZL
19	国家开发投资集团公司	STATE DEVELOPMENT & INVESTMENT CORP., LTD.	Associate of SDICZL
20	中投咨询有限公司	CHINA NATIONAL INVESTMENT CONSULTING CO., LTD.	Associate of SDICZL
21	中国国投高新产业投资有限公司	CHINA SDIC GAOXIN INDUSTRIAL INVESTMENT CORP., LTD.	Associate of SDICZL
22	安信证券股份有限公司	ESSENCE SECURITIES CO., LTD.	Associate of SDICZL
23	中国投融资担保股份有限公司	CHINA NATIONAL INVESTMENT AND GUARANTY CORPORATION	Associate of SDICZL
24	国投财务有限公司	SDIC FINANCE CO., LTD.	Associate of SDICZL
25	国投资本股份有限公司	SDIC CAPITAL CO., LTD.	Associate of SDICZL
26	国投瑞银基金管理有限公司	UBS SDIC FUND MANAGEMENT CO., LTD.	Associate of SDICZL
27	国投泰康信托有限公司	SDIC TAIKANG TRUST CO., LTD.	Associate of SDICZL
28	国投健康产业投资有限公司	No English name	Associate of SDICZL
29	国投创益产业基金管理有限公司	SDIC CHUANGYI INDUSTRY FUND MANAGEMENT CO., LTD.	Associate of SDICZL
30	国投融资租赁有限公司	SDIC LEASING CO., LTD.	Associate of SDICZL
31	融实国际控股有限公司	RONGSHI INTERNATIONAL HOLDING CO., LTD.	Associate of SDICZL
32	国投智能科技有限公司	SDIC INTELLIGENCE CO., LTD.	Associate of SDICZL



SCOPE OF THE IPT MANDATE

*Capitalised terms shall have the same meaning as those defined in the addendum (“**Addendum**”) to the annual report of the Company for the financial year ended 30 June 2024 unless otherwise defined. All references to Chief Executive Officer or Chief Financial Officer shall apply to a person who performs such function and responsibility.*

The IPT Mandate will cover the following transactions:

- (a) the recurring working capital financing provided by SDICZL Interested Persons to Zhongxin Group;
- (b) the provision of treasury services by SDICF or other qualified SDICZL Interested Person(s) to Zhongxin Group;
- (c) the sale of products by the Zhongxin Group to SDICZL Interested Person(s); and
- (d) the appointment of any SDICZL Interested Person(s) as distributor(s) of Zhongxin Group.

The IPT Mandate does not cover any transaction between Zhongxin Group and SDICZL Interested Persons that is below S\$100,000 in value, as the threshold and aggregation requirements of Chapter 9 of the Catalist Rules do not apply to such transactions.

SDICZL Interested Persons

SDICZL is a controlling shareholder of the Company and it is considered an interested person of the Company under Chapter 9 of the Catalist Rules. Accordingly, any transaction between SDICZL (or any of its associates) and any member of Zhongxin Group shall constitute an interested person transaction.

As at the 30 September 2024, SDICZL owns 560,598,425 Shares representing 53.11% of the total issued Shares.

Appendix A of the Addendum sets out the list of SDICZL Interested Persons.

Details of the Proposed SDICZL Interested Person Transactions

The Recurring Working Capital Financing provided by SDICZL Interested Persons to Zhongxin Group

It is proposed that SDICF or another SDICZL Interested Person may from time to time provide working capital financing to Zhongxin Group in the following forms:

- (a) lending of working capital by SDICZL Interested Person(s) to Zhongxin Group;
- (b) factoring of negotiable instruments, invoice and other credit or payment instruments by Zhongxin Group in favour of SDICZL Interested Person(s);
- (c) provision of guarantees, indemnities or security by SDICZL Interested Person(s) in favour of Zhongxin Group’s creditors, in respect of borrowings or financing which are incurred by the Zhongxin Group; and
- (d) the provision of guarantees, indemnities or security by Zhongxin Group in favour of the SDICZL Interested Persons to secure above-mentioned financing.

Addendum

Annual routine check with financial institutions

For avoidance of doubt, the IPT Mandate does not prevent Zhongxin Group to seek financing from any independent third parties. The IPT Mandate will apply if Zhongxin Group is not able to obtain working capital financing from an independent third parties.

Zhongxin Group typically conducts budget and funding planning for the ensuing financial period towards the end of the prevailing financial period. As part of such planning, besides approaching SDICZL Interested Person(s) for their loan terms, Zhongxin Group shall approach at least two (2) banks or financial institutions in the PRC (who is not an SDICZL Interested Person) to check whether they are able to provide financing facilities to Zhongxin Group for its need in the ensuing financial period ("**Independent Quotes**"). If any bank or financial institution is willing to provide financing facilities which will address Zhongxin Group's needs, Zhongxin Group will proceed to discuss with the relevant bank or financial institution. In the event that none of the banks approached is prepared to provide financing facilities which will address Zhongxin Group's needs or the terms of the Independent Quotes obtained are less favourable compared to those offered by SDICZL Interested Person(s), Zhongxin Group will seek working capital financing from SDICZL Interested Person(s) under this IPT Mandate. For the avoidance of doubt, should additional funds be required during the course of the financial period, the above procedures shall also be applicable.

Lending of working capital

For the lending of working capital by SDICZL Interested Person(s) to Zhongxin Group, subject to applicable laws and regulations of the PRC, SDICZL Interested Person(s) may either grant loans directly or procure a licenced intermediary financial institution ("**Intermediary**") in the PRC to grant loans ("**Entrusted Loans**") to any member of Zhongxin Group ("**Borrower**") on terms to be agreed between SDICZL, the Company and the Intermediary (if applicable). Where the lending is made directly without an Intermediary by a SDICZL Interested Person(s) to Zhongxin Group, the lending agreement and its terms has to be reviewed and approved by the Audit Committee prior to its entry. In reviewing such loans, the Audit Committee will take into consideration factors such as the general market terms and conditions for similar lending, the availability of alternative fund sources and the urgency of the funding needs.

In the case of an Entrusted Loan, while the Intermediary may be the named lender, such loan is likely to be secured by collateral provided by a SDICZL Interested Person. For Entrusted Loans, interest paid by the Borrower to the Intermediary under such a loan will be paid by the Intermediary to the relevant SDICZL Interested Person in the form of interest to the collateral provided. Effectively, the Borrower will be paying interest to the relevant SDICZL Interested Person. An Entrusted Loan arrangement will allow a SDICZL Interested Person to indirectly grant loans to Zhongxin Group.

Factoring

The Chief Financial Officer of the Company will decide on whether Zhongxin Group needs to factor negotiable instruments, invoice and other credit or payment instruments. This IPT Mandate shall apply should Zhongxin Group factors instruments, invoice and other credit or payment instruments in favour of SDICZL Interested Person(s). Factoring discount shall be as elaborated below.

Interest rate (including factoring discount)

The interest rate on financing provided to Zhongxin Group shall be agreed between the Company and SDICZL and such interest shall accrue to the relevant SDICZL Interested Person. The interest rate shall be the People's Bank of China's prevailing benchmark lending interest rate of equivalent loan tenure (if the SDICZL Interested Person is applying internal funds) or the cost of funds (if the SDICZL Interested Person has to obtain financing itself to provide financing), plus interest premium.

Addendum

Zhongxin Group will only enter into such financing with SDICZL Interested Person(s) only if

- (a) the agreed interest, inclusive of the interest premium, is not higher than the lowest rate(s) of the Independent Quotes (if available), provided that other terms in the relevant Independent Quote are comparable. For avoidance of doubt, only the Independent Quote(s) obtained in the current financial year will be taken into account; and
- (b) Any interest premium over the prevailing benchmark lending interest rate published by the People's Bank of China or the cost of funds shall not be more than 10% of the prevailing benchmark lending interest rate published by the People's Bank of China or the cost of funds, as the case may be.

Provision of securities

The SDICZL Interested Person providing financing may require such financing to be secured by collateral from Zhongxin Group, for example, by way of a charge, fixed or floating, over the assets of Zhongxin Group. In the case of Entrusted Loans, the Intermediary may also require additional collateral from Zhongxin Group. The exact terms for such arrangement will be agreed between the Borrower, the SDICZL Interested Person providing the financing and the Intermediary (if applicable).

All provisions of securities to SDICZL Interested Person(s) have to be reviewed and approved by the Audit Committee. In reviewing into such provision of securities with SDICZL Interested Person(s), the Audit Committee will take into consideration the securities requirements in the Independent Quote(s) (if available) and prevailing market practice. Zhongxin Group will enter into such provision of securities arrangement with the SDICZL Interested Person(s) only in the event the terms are not less favourable compared to those offered under the Independent Quote(s). If there is no Independent Quote, the book value of collateral provided by Zhongxin Group shall not be more than 150% that of the financing received.

If Zhongxin Group is unable to make full or part repayment of any financing by the due date, SDICZL may request that payment of any outstanding sums be settled by way of the Company's issuance of new Shares to SDICZL or its nominee on terms to be agreed, subject to the prior approval of the Board and/or Shareholders as well as the compliance with the Catalist Rules and the applicable laws and regulations.

The Provision of Treasury Services by SDICZL Interested Person(s) to Zhongxin Group

SDICZL has an arrangement with all its subsidiaries and associated companies to which they may place their excess funds in PRC with SDICF or another SDICZL Interested Person from time to time, in respect of which SDICF or another SDICZL Interested Person will pay interest at rates which are agreed between the parties. In turn, SDICF or another SDICZL Interested Person will place such consolidated funds with financial institution(s) in PRC. This arrangement is extended to Zhongxin Group and from time to time, Zhongxin Group may place funds with SDICF or another SDICZL Interested Person for which Zhongxin Group will receive interest from SDICF or another SDICZL Interested Person on such amounts. The interest shall be at a rate to be agreed between SDICZL and the Company.

Zhongxin Group will only place funds with SDICZL or its nominated related corporation, if the interest rate quoted by SDICF or another SDICZL Interested Person is higher than the highest of the interest rates quoted by 2 principal bankers of Zhongxin Group in PRC of comparable terms.

Addendum

The Sale of Products by Zhongxin Group to SDICZL Interested Persons

The Company proposes that Zhongxin Group be allowed to sell products to SDICZL Interested Persons. The terms of sale, insofar as practicable, will be similar to the general terms that SDICZL Interested Persons are selling to their customers. In determining the selling price to a SDICZL Interested Person, Zhongxin Group will adopt the following guidelines:

- (a) The selling price from Zhongxin Group to a SDICZL Interested Person may be derived from the price(s) (net of discount as elaborate below) of similar quality and batch size sale(s) by Zhongxin Group to independent third-party customers and/or price(s) of similar quality and batch size sale(s) by SDICZL Interested Person(s) to their/its customer(s), where available. For avoidance of doubt, (i) only sales by SDICZL Interested Person(s) to their/its customer(s) where delivery occur in the last six months will be taken into account, and (ii) if there are more than one reference price available for each sale by Zhongxin Group to a SDICZL Interested Person, the principle of weighted average will apply.
- (b) If the sales (as marked by delivery) by Zhongxin Group to independent third-party customers and/or sales by SDICZL Interested Persons to their customers in reference take place more than 6 months ago (timeframe takes into account the general lag time between the signing by SDICZL Interested Persons of the forward contracts and the actual delivery date), Zhongxin Group shall compare the selling price from Zhongxin Group to a SDICZL Interested Person with three verifiable price information of similar quality and batch size that arise in the last two months. Verifiable price information sources include (i) offer-to-purchase obtained from an existing and/or potential independent third party in relation to both Zhongxin Group and SDICZL Interested Persons; or (ii) sale by an independent third party to a SDICZL Interested Person ("**Price Information**"). Zhongxin Group will only enter into the sale to the relevant SDICZL Interested Persons if the price is not lower than the Price Information.
- (c) In the event that Zhongxin Group is not able to obtain the Price Information (such as in the absence of sales of similar quality and batch size, or where price of sale of similar quality and batch size cannot be reasonably verified), it shall defer to the Audit Committee for final decision on the minimum selling price from Zhongxin Group to all SDICZL Interested Persons for the next 2 months (taking into account the need for an updated minimum price benchmark and the time and effort required for Audit Committee's review process). Zhongxin Group shall not enter into the sale to any SDICZL Interested Person below the minimum selling price recommended by the Audit Committee. In considering the minimum selling price, the Audit Committee shall consider factors such as gross profit, general market trend and any other information sources.

The sum received by Zhongxin Group for any sale to SDICZL Interested Persons may be used towards the repayment of the financing provided by SDICZL Interested Persons to Zhongxin Group.

The Appointment of SDICZL Interested Persons as Distributor(s) or Agent(s) of Zhongxin Group

The Company will appoint SDICZL Interested Person(s) as Zhongxin Group's distributor(s) or Agent(s) for the sale of products of Zhongxin Group. The distributorship or agency arrangement will enable Zhongxin Group to tap on the sales network of SDICZL Group to increase the sales of Zhongxin Group.

The key terms of the distributorship or agency arrangement include, inter alia, the following:

- (a) the appointment of SDICZL Interested Person(s) as Zhongxin Group's distributor(s) or agent(s) on a non-exclusive basis;
- (b) the selling price shall be based on market price to be agreed between the customers and Zhongxin Group; and
- (c) SDICZL shall be entitled to a commission (as elaborated below) for customers referred by a SDICZL Interested Person or distributed through a SDICZL Interested Person.

Addendum

Determination of commission and discount

On an annual basis, the Audit Committee will review the commission rates and discount rates for each product category. All commission rates and discount rates are subject to the approval from the Audit Committee and will take effect on 1 May of the year until 30 April of the following year.

The Audit Committee will take into account:

- (a) the expected costs to Zhongxin Group to set up its own sales and marketing team, as well as associated marketing costs;
- (b) the current market practice and rates for such commissions and discounts; and
- (c) the profit margin forecast of the product category.

If no revision is proposed, the commission rates or discount rates shall stay the same.

As an interim measure, the Audit Committee will determine the initial commission rates and discount and the effective date under the IPT Mandate.

Approval and Review Procedures for the SDICZL Interested Person Transactions

Review Procedures

The Audit Committee shall review SDICZL Interested Person Transactions and their terms every half-yearly to ensure that the terms are not prejudicial to the interests of the Company and its minority Shareholders.

The Audit Committee will adopt such procedures and consider such evidence as it deems appropriate for such review, and shall where appropriate consider if it is feasible for Zhongxin Group to (i) obtain financing from non-interested parties on terms acceptable to Zhongxin Group or (ii) set-up its own sale and distribution team.

Approval limits for financing

In addition to the review procedures, the Company shall supplement its internal review system by establishing the following approval limits for the financing provided by SDICZL Interested Persons.

The Chief Executive Officer and the Chief Financial Officer of the Company are authorised jointly to review and approve any financing provided by SDICZL Interested Persons if the aggregate amount of interest (including discount amount in the case of factoring) in a financial year for the financing provided by SDICZL Interested Persons (including the financing under consideration) does not exceed 6% of the net tangible asset value of the group ("**NTA**"). If the aggregate amount of interest (including discount amount in the case of factoring) provided by SDICZL Interested Persons (including the financing under consideration) is above 6% of the NTA, any further financing shall be subject the approval of the Audit Committee.

Having considered the nature of the business, the total interest paid by Zhongxin Group in a financial year and working capital requirements of Zhongxin Group, the Directors in concurrence with the Audit Committee are of the opinion that the above approval process reflects a risk control level that is acceptable to the Company.

Addendum

Approval limits for treasury services

In addition to the review procedures, the Company shall supplement its internal review system by establishing the following approval limits for the placement of funds by Zhongxin Group in SDICF or another SDICZL Interested Person.

The Chief Executive Officer and the Chief Financial Officer of the Company are authorised jointly to review and approve any placement of funds by Zhongxin Group if the aggregate amount of the fund placed at any one time (including the placement under consideration) does not exceed RMB50,000,000. If the aggregate amount of the fund placed (including the placement under consideration) is above RMB50,000,000, any further placement is subject to the approval of the Audit Committee.

Having consider Zhongxin Group's working capital requirements and the cash balance of Zhongxin Group, the Directors in concurrence with the Audit Committee are of the opinion that the above approval process reflects a risk control level that is acceptable to the Company.

Approval limits for sale to SDICZL Interested Persons

In addition to the review procedures, Zhongxin Group shall supplement its internal review system by establishing approval threshold limits to its sale transactions with any SDICZL Interested Person as follows:

- (a) a Category 1 transaction i.e. where the value of the transaction is below or equal to RMB15,000,000, does not require the prior review and approval of the Audit Committee but it shall be reviewed and approved jointly by the Chief Executive Officer and the Chief Financial Officer of the Company before such transaction is entered into. The Category 1 transactions will be reviewed every half yearly by the Audit Committee; and
- (b) a Category 2 transaction i.e. where the value of the transaction is more than RMB15,000,000, must be reviewed and approved by the Audit Committee before such transaction is entered into.

The threshold of RMB15,000,000 is selected to strike a balance between commercial efficiency and the requirement of oversight by the Audit Committee. Having considered the current market prices, the prevailing market conditions and the expected sale volume, the Directors in concurrence with the Audit Committee are of the opinion that the threshold limit of RMB15,000,000 reflects a risk control level that is acceptable to the Company.

In addition to the above mentioned, the approval limit of the aggregate amount of the sale to SDICZL Interested Persons within a financial year by the Chief Executive Officer and the Chief Financial Officer of the Company shall not exceed RMB60,000,000 ("**Sales Quota**"). Upon fully utilised the Sales Quota, the Chief Executive Officer and the Chief Financial Officer of the Company may jointly request the Audit Committee to review and renew the Sales Quota provided that each renewal of Sales Quota shall not exceed RMB60,000,000. In reviewing and renewing the Sales Quota, the Audit Committee may require the management of the Company to provide to the Audit Committee all information it deems necessary for it to undertake such a review. For the avoidance of doubt, upon the renewal of Sales Quota, the approval procedures in respect of Category 1 and Category 2 transactions as outlined above will continue to apply.

Approval limits for distribution and agency

Since no SDICZL Interested Person is involved in determining the selling price of Zhongxin Group's products in the case of distribution and agency of Zhongxin Group's products, no special approval under the IPT Mandate is required for the entry of any transaction between Zhongxin Group and its customer. Any payment of commission of more than RMB1,000,000 for a single sale transaction between Zhongxin Group and its customers must be reviewed and approved by the Audit Committee before payment.

Addendum

General Administrative Procedures for the SDICZL Interested Person Transactions

In the event that a member of the Audit Committee (where applicable) is interested or related to any SDICZL Interested Person in any transaction, he will abstain from reviewing that particular transaction. Review and/or approval of that transaction will accordingly be undertaken by the remaining members of the Audit Committee.

The Company will also implement the following administrative procedures in respect of SDICZL Interested Person Transactions:

- (a) A register will be maintained by the Company to record all SDICZL Interested Person Transactions that are entered into pursuant to the IPT Mandate.
- (b) The Audit Committee shall carry out a half-yearly review of all SDICZL Interested Person Transactions entered into pursuant to the IPT Mandate to ensure compliance with the established procedures under the IPT Mandate.
- (c) The Audit Committee will instruct our internal auditors of the Company to review the established guidelines and procedures for the SDICZL Interested Person Transactions annually. In addition, our external auditor would also be checking on the SDICZL Interested Person Transactions during the course of the audit. The results of such reviews will be submitted to the Audit Committee annually.
- (d) If the Audit Committee comes to the view that the guidelines and procedures as stated above are not sufficient to ensure that SDICZL Interested Person Transactions will be on normal commercial terms and will not be prejudicial to the interests of the Company and the minority Shareholders or has become inappropriate, the Company will obtain a fresh mandate from the Shareholders based on new guidelines and procedures for SDICZL Interested Person Transactions. Until such approval is obtained, the prevailing guidelines and procedures shall continue to apply.

ZHONGXIN FRUIT AND JUICE LIMITED

(Incorporated in Singapore)

(Company Registration Number 200208395H)

ANNUAL GENERAL MEETING PROXY FORM

IMPORTANT:

1. The 2024 Annual General Meeting of ZHONGXIN FRUIT AND JUICE LIMITED (the "Company") ("AGM" or the "Meeting") will be held physically on Tuesday, 29 October 2024 at RNN Conference Centre, 137 Cecil Street, #04-01, Cecil Building, Singapore 069537 at 11.00 a.m. There will be no option for members to participate virtually.
2. Investors (including CPF and SRS investors) who wish to vote should approach their relevant intermediaries (including CPF Agent Banks or SRS Operators) as soon as possible to submit their voting instructions by Friday, 18 October 2024, 11.00 a.m., being at least seven (7) working days before the AGM.
3. By submitting an instrument on the appointment of proxy(ies), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 14 October 2024.
4. Please read the notes overleaf which contain instructions on, inter alia, the appointment of proxy(ies) by members.

I/We, _____ (Name) _____ (NRIC / Passport / Company Registration No.)
of _____ (Address)

being a member/members of Zhongxin Fruit and Juice Limited (the "Company"), hereby appoint:

NAME	NRIC/PASSPORT NO.	PROPORTION OF SHAREHOLDING(S)	
		NO. OF SHARES	%
ADDRESS			

* and/or (delete as appropriate)

NAME	NRIC/PASSPORT NO.	PROPORTION OF SHAREHOLDING(S)	
		NO. OF SHARES	%
ADDRESS			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Annual General Meeting ("AGM") as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the AGM of the Company to be held at RNN Conference Centre, 137 Cecil Street, #04-01, Cecil Building, Singapore 069537 on Tuesday, 29 October 2024 at 11.00 a.m. (Singapore Time) and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against, or to abstain from voting on, the resolutions to be proposed at the AGM as indicated hereunder.

Voting would be conducted by poll. Please indicate your vote "For" or "Against" or "Abstain" with a tick [✓] within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy(ies) not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

NO.	RESOLUTIONS RELATING TO:	FOR	AGAINST	ABSTAIN
	ORDINARY BUSINESS			
1.	Adoption of Audited Financial Statements of the Company for the financial year ended 30 June 2024 and the Directors' Statement and the Auditors' Report thereon.			
2.	Approval for payment of proposed Directors' fees of S\$44,407 for the financial year ended 30 June 2024.			
3.	Approval for payment of proposed Directors' fees of S\$43,969 for the financial year ending 30 June 2025, to be paid quarterly in arrears.			
4.	Re-election of Mr. Liu Xiaoyan as Director of the Company.			
5.	Re-election of Mr. Wang Ming as Director of the Company.			
6.	Re-election of Mr. Cai Huixin as Director of the Company.			
7.	Re-appointment of Messrs Moore Stephens LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.			
	SPECIAL BUSINESS			
8.	Authority to allot and issue shares.			
9.	Approval for the proposed renewal of the general mandate for interested person transactions.			

Dated this _____ day of _____, 2024

TOTAL NUMBER OF SHARES HELD

Signature(s) of member(s)

or Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF.



Notes:

1. A member of the Company (other than a "**Relevant Intermediary**") entitled to attend, speak and vote at the Annual General Meeting of the Company is entitled to appoint Chairman of the Annual General Meeting or not more than two proxies to attend, speak and vote in his/her stead. A proxy need not be a shareholder of the Company. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shares to be represented by each such proxy, failing which the nomination shall be deemed to be alternative.

A **Relevant Intermediary** may appoint more than two proxies provided that each proxy must be appointed to exercise the rights attached to different shares held by him (which number and class of shares shall be specified). Where such member's proxy form appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

"**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967:

- (a) a banking corporation licensed under the Banking Act 1970 or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;
 - (b) a capital markets services licence holder which provides custodial services for securities under the Securities and Futures Act 2001 and holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
2. A proxy need not be a member of the Company.
 3. The Proxy Form must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
 4. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must (failing previous registration with the Manager), be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
 5. Members are advised to give specific instructions as to voting or abstentions from voting on the resolutions set out in the Proxy Form. The Proxy Form attached to the Notice of AGM can be downloaded from the Company's announcement on SGXNet from <https://www.sgx.com/securities/company-announcements>.
 6. The deposit of an instrument of proxy does not preclude a member concerned from attending and voting in person at the meeting, as well as for any adjournment of the meeting to which it relates. In such an event, the appointment of the proxy(ies) is deemed to be revoked by the member concerned at the point when the member attends the AGM.
 7. The proxy form must be submitted to the Company in the following manner:
 - (a) if submitted by post, be lodged at the registered office of the Company at 25 International Business Park, #02-53 German Centre, Singapore 609916; or
 - (b) if submitted electronically, be submitted via email to admin@zhongxinfi.com.

in either case, by 27 October 2024, 11.00 a.m., being 48 hours before the time fixed for the AGM.

A member who wishes to submit a proxy form must complete and sign the proxy form, before submitting it by post to the address provided above, or before sending it by email to the email address provided above.

Members are strongly encouraged to submit completed proxy forms electronically via email.

8. Members, including CPF/SRS investors, who hold shares through their relevant intermediaries (as defined in Section 181 of the Act), which would include in the case of CPF/SRS investors, their respective CPF Agent Banks/SRS Operators, may :
 - (a) vote at the AGM if they are appointed as proxies by their relevant intermediaries (including CPF Agent Banks or SRS Operators) and should contact them if they have any queries regarding their appointment as proxies; or
 - (b) appoint the Chairman of the AGM as proxy to vote on their behalf;

in which case, they should approach their relevant intermediaries to submit their voting instructions by **Friday, 18 October 2024 at 11.00 a.m.**, being at least seven (7) working days before the AGM.

9. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing proxy). In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing proxy lodged if such members are not shown to have shares entered against their names in the Depository Register as at seventy-two (72) hours before the time appointed for the AGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting this proxy form the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 14 October 2024.



ANNUAL REPORT 2024



ZHONGXIN FRUIT AND JUICE LIMITED

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**YUNCHENG ZHONGXIN FRUIT & JUICE
COMPANY LIMITED**

Sunji Town, Linyi Xian, Yuncheng, Shanxi Province
Postal Code: 044100 People's Republic of China

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FRUIT JUICE CO. LTD**

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Yuncheng, Shanxi Province
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