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

INTERESTED PERSON TRANSACTIONS WITH SDIC ZHONGLU FRUIT JUICE CO., LTD.

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1. INTRODUCTION

The Board of Directors (the "Board") of Zhongxin Fruit and Juice Limited (the "Company") refers the general mandate for interested person transactions renewed in the Company's general meeting held on 29 October 2015 ("IPT Mandate"). The Board wishes to announce that the Company together with its subsidiaries (the "Group") has entered into further transactions with SDIC Zhonglu Fruit Juice Co. Ltd ("SDIC Zhonglu") and its subsidiaries (the "SDIC Zhonglu Group"), being interested person transactions ("IPTs") as defined in Chapter 9 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "Catalist Rules") which are outside the scope of the IPT Mandate ("Transactions").

2. DETAILS OF TRANSACTIONS

SDIC Zhonglu is a controlling shareholder of the Company, holding 53.11% shareholding interest in the Company. Accordingly, SDIC Zhonglu and its subsidiaries are deemed to be the interested persons within the meaning defined in Chapter 9 of the Catalist Rules.

During financial year ended 30 June 2016 ("FY2016"), Yuncheng Zhongxin Fruit & Juice Company Limited ("Yuncheng Zhongxin"), a subsidiary of the Company, had entered into the following Transactions above S$100,000 with Liaoning SDIC Zhonglu Fruit Juice Co. Ltd ("LSZ"), a subsidiary of the SDIC Zhonglu:

Name of Interested Person	Details of Transaction	Value of Transactions RMB'000
LSZ	Purchase of concentrated apple juice by Yuncheng Zhongxin from LSZ	1,451
LSZ	Purchase of machineries and equipment by Yuncheng Zhongxin from LSZ	1,078
	Total:	**2,529**

The terms of purchase of concentrated apple juice by Yuncheng Zhongxin from LSZ is similar to the general terms that (a) LSZ is selling to their unrelated customers, and (b) Yuncheng Zhongxin is buying from its related suppliers.

The purchase of machineries and equipment from LSZ was based on "as is where is" basis. The purchase price of machineries and equipment is based on the book value as at the time of purchase by Yuncheng Zhongxin.

Based on the Group's latest audited consolidated financial statements for the financial year ended 30 June 2015, the audited consolidated net tangible assets ("NTA") of the Group as at 30 June 2015 was RMB 59,858,000 ("2015 NTA").

The total aggregated value of the Transactions for FY2016 with SDIC Zhonglu Group amounted to 4.22% of the 2015 NTA.

3. INTERESTED PERSON TRANSACTIONS

The value of all IPTs conducted in FY2016 was as follow:-

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (RMB'000)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) (RMB'000)
SDIC Zhonglu	(a) Purchase of concentrated apple juice by a subsidiary of the Company from a subsidiary of SDIC Zhonglu. 1,451	(a) Sales by the Group to SDIC Zhonglu and its group of companies. 76,893
	(b) Purchase of machineries and equipment by a subsidiary of the Company from a subsidiary of SDIC Zhonglu. 1,078	(b) Interest paid by subsidiaries of the Company with respect to the working capital provided by SDIC Zhonglu. 2,835
	(c) Prepayment to a subsidiary of SDIC Zhonglu for lease of certain storage facility 595	
Total:	3,124	79,728

Yuncheng Zhongxin had also in FY2016 entered into a lease agreement with Qingdao SDIC Zhonglu Fruit Juice Co., Ltd ("QSZ"), a subsidiary of SDIC Zhonglu to lease certain storage facility for one year beginning 1 July 2016. The parties agreed that the rental payable for the duration of the lease shall be determined in accordance with a rental valuation to be carried out by an independent property consultant to be appointed jointly by Yuncheng Zhongxin and QSZ. The parties are still in the process of appointing the independent property consultant. The Group had made a prepayment of RMB595,000 to secure the lease.

As the duration of the lease under the lease agreement is for a period of one year and the rental payable will be supported by a valuation to be carried out by an independent property consultant, the transaction under the lease agreement falls within the exception as set out under Rule 916(1) of the Catalist Rules. The Company will announce the details of the lease agreement and the valuation undertaken by the property consultant in due course.

Save as disclosed above, there are no other interested person transactions above S$100,000 in FY2016.

4. RATIONALE FOR THE TRANSACTIONS

The purchase of concentrated apple juice from LSZ is to fulfil certain customers' orders placed with the Group. The stock held by the Group may not always necessarily meet the order size, and the Group may from time to time purchase concentrated apple juice from other suppliers, including from the SDIC Zhonglu Group to top up its stock and meet the order size. LSZ allows the Group to

purchase concentrated apple juice in smaller and varied batch size, allowing the Group the flexibility to match its purchase and its existing stock with the order size from customers.

The purchase of machineries and equipment including used machineries and equipment from SDIC Zhonglu Group was to increase the Group's production capacity. The market for used machineries and equipment is limited, and SDIC Zhonglu Group had unutilized machineries and equipment ranging from 2 year old to 15 year old (most items under 10 year old) which met the requirements of the Group. By acquiring such machineries and equipment, the Group is able to enjoy savings as compared to purchasing new machineries and equipment.

5. AUDIT COMMITTEES' STATEMENT

The Audit Committee has reviewed the terms of the Transactions. The Audit Committee and the Board are of the view that the Transactions were entered into on an arm's length basis and on normal commercial terms, and are not prejudicial to the interests of the Company and its minority shareholders.

6. FUTURE TRANSACTIONS

The Group may from time to time purchase concentrated juice from SDIC Zhonglu Group to fulfil customers' orders ("Future Transactions"). The terms and conditions of the Future Transactions will be agreed upon between the Group and SDIC Zhonglu Group, having regard to prevailing market rates of concentrated juice, and will be based on normal commercial terms transacted on arm's length basis.

The Company will consider whether to update the IPT Mandate to include the Future Transactions in the next annual general meeting of the Company.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for Mr. Zhang Jiming and Ms. Quan Yuhong who are nominated by SDIC Zhonglu, none of the other Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Transactions.

By Order of the Board

Zhang Jiming
Executive Chairman
24 August 2016

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**") for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr. Thomas Lam, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.