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

UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a). A statement of comprehensive income for the Group together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Comprehensive Income for the financial year ended 30 June 2018. These figures have not been audited.

	Group		
	Unaudited FY 30 June 2018 RMB'000	Audited FY 30 June 2017 RMB'000	Increase / (Decrease) %
Revenue	121,869	88,819	37%
Cost of sales	(93,665)	(68,017)	38%
Gross profit	**28,204**	**20,802**	36%
Other income:			
Other operating income	684	945	(28%)
Expenses:			
Distribution expenses	(11,868)	(7,104)	67%
Administrative expenses	(8,133)	(11,010)	(26%)
Finance costs	(3,046)	(2,180)	40%
Share of (loss) / profit from equity accounted joint venture	(406)	1,997	(120%)
Profit before income tax	**5,435**	**3,450**	58%
Income tax expense	(77)	(28)	175%
Profit for the financial year	**5,358**	**3,422**	57%
Other comprehensive income for the financial year, net of tax	-	-	
Total comprehensive profit for the financial year attributable to owners of the Company	**5,358**	**3,422**	57%

Operating profit is arrived at after charging / (crediting) the following:

	Group	
	Unaudited FY 30 June 2018 RMB'000	Audited FY 30 June 2017 RMB'000
Charges		
Amortisation of land use rights and intangible assets	190	169
Depreciation of property, plant and equipment	983	1,006
Foreign exchange loss	83	8
Interest expense	2,952	2,161
Credits		
Amortisation of deferred capital grant	(4)	-
Gain on disposal of property, plant and equipment	(5)	-
Interest income	(545)	(606)
Write-back of trade and other payables	-	(183)

1(b)(i). A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	Unaudited	Audited	Unaudited	Audited
	As at		As at	
	30 June 2018 RMB'000	30 June 2017 RMB'000	30 June 2018 RMB'000	30 June 2017 RMB'000
ASSETS				
Non-Current Assets				
Investment in joint venture	10,031	10,437	10,451	10,451
Investment in subsidiaries	-	-	48,223	48,223
Property, plant and equipment	66,287	64,780	14	2
Land use rights and intangible assets	7,248	7,438	-	-
	83,566	82,655	58,688	58,676
Current Assets				
Cash and cash equivalents	6,189	6,510	4,028	6,230
Other receivables	2,194	2,446	-	-
Receivable from subsidiaries	-	-	27,787	68,951
Receivable from a related party	294	-	-	-
Receivable from immediate holding company	42,034	34,745	-	-
Prepayments	2,130	1,312	-	-
Inventories	11,215	7,098	-	-
	64,056	52,111	31,815	75,181
Total Assets	**147,622**	**134,766**	**90,503**	**133,857**
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	252,093	252,093	252,093	252,093
Contributed surplus	22,000	22,000	-	-
Statutory and other reserves	3,040	3,040	-	-
Accumulated losses	(199,361)	(204,719)	(162,995)	(119,406)
Equity attributable to owners of the Company	**77,772**	**72,414**	**89,098**	**132,687**
Non-Current Liability				
Deferred capital grant	230	-	-	-
Current Liabilities				
Trade and other payables	8,669	8,915	1,405	1,170
Payable to a related party	20	-	-	-
Payable to immediate holding company	58,925	53,437	-	-
Deferred capital grant	6	-	-	-
Borrowings	2,000	-	-	-
	69,620	62,352	1,405	1,170
Total Liabilities	**69,850**	**62,352**	**1,405**	**1,170**
Total Equity and Liabilities	**147,622**	**134,766**	**90,503**	**133,857**

1(b)(ii). Aggregate amount of group's borrowings and debt securities.

	Group		Group	
	Unaudited		Audited	
	As at 30 June 2018		As at 30 June 2017	
	Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
Repayable in one year or less, or on demand				
- Borrowings	-	2,000	-	-
Repayable after one year				
- Borrowings	-	-	-	-
Total	-	2,000	-	-

Details of any collateral

The bank loan of RMB2.0 million as at 30 June 2018 was unsecured.

There were no borrowings and debt securities as at 30 June 2017.

1(c). A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	Unaudited FY 30 June 2018 RMB'000	**Audited FY 30 June 2017 RMB'000**
Cash flows from operating activities		
Profit before income tax	5,435	3,450
Adjustments for :		
Amortisation of deferred capital grant	(4)	-
Amortisation of land use rights and intangible assets	190	169
Depreciation of property, plant and equipment	983	1,006
Share of loss/(profit) from equity accounted joint venture	406	(1,997)
Gain on disposal of property, plant and equipment	(5)	-
Write-back of trade and other payables	-	(183)
Interest expense	2,952	2,161
Interest income	(545)	(606)
Operating cash flows before working capital changes	9,412	4,000
Inventories	112	13,005
Other receivables	252	1,000
Receivable from related parties	-	801
Receivable from immediate holding company	(7,289)	(15,517)
Prepayments	(818)	(451)
Trade and other payables	(246)	1,380
Payable to related parties	-	(28)
Cash flows from operations	1,423	4,190
Income tax paid	(77)	(28)
Net cash generated from operating activities	**1,346**	**4,162**
Cash flows for investing activities		
Interest received	545	606
Proceed from government grant	240	-
Proceed from disposal of property, plant and equipment	269	-
Purchase of property, plant and equipment	(6,983)	(3,437)
Net cash used in investing activities	**(5,929)**	**(2,831)**
Cash flows from financing activities		
Advances from immediate holding company	5,488	7,299
Net advances/repayment to related parties	(274)	(1,744)
Interest paid	(2,952)	(2,161)
Proceed from borrowings	2,000	-
Net cash generated from financing activities	**4,262**	**3,394**
Net change in cash and cash equivalents	(321)	4,725
Cash and cash equivalents at beginning of financial year	6,510	1,785
Cash and cash equivalents at end of financial year	**6,189**	**6,510**

1(d)(i). A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Equity attributable to owners of the Company				
	Share Capital RMB'000	Contributed Surplus RMB'000	Statutory and Other Reserves RMB'000	Accumulated Losses RMB'000	Total RMB'000
Group					
Current Year:					
Balance as at 1 July 2017	252,093	22,000	3,040	(204,719)	72,414
Total comprehensive income for the financial year	-	-	-	5,358	5,358
Balance as at 30 June 2018	252,093	22,000	3,040	(199,361)	77,772
Previous Year:					
Balance as at 1 July 2016	252,093	22,000	955	(206,056)	68,992
Total comprehensive income for the financial year	-	-	-	3,422	3,422
Transfer to statutory and other reserve	-	-	2,085	(2,085)	-
Balance as at 30 June 2017	252,093	22,000	3,040	(204,719)	72,414
Company					
Current Year:					
Balance as at 1 July 2017	252,093	-	-	(119,406)	132,687
Total comprehensive loss for the financial year	-	-	-	(43,589)	(43,589)
Balance as at 30 June 2018	252,093	-	-	(162,995)	89,098
Previous Year:					
Balance as at 1 July 2016	252,093	-	-	(128,254)	123,839
Total comprehensive income for the financial year	-	-	-	8,848	8,848
Balance as at 30 June 2017	252,093	-	-	(119,406)	132,687

1(d)(ii). Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There was no change in the Company's issued share capital (excluding treasury shares) of 1,055,459,201 ordinary shares amounting to RMB252,093,405 from 31 December 2017 to 30 June 2018.

As at 30 June 2018 and 30 June 2017, there were no outstanding options, convertibles, treasury shares or subsidiary holdings in the Company.

1(d)(iii). To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares excluding treasury shares	As at 30 June 2018	As at 30 June 2017
Total number of issued shares	1,055,459,201	1,055,459,201
Less : Treasury shares	-	-
Total number of issued shares (excluding treasury shares)	1,055,459,201	1,055,459,201

1(d)(iv). A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

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

1(d)(v). A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

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

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in paragraph 5 below, the Group has adopted the same accounting policies and methods of computation which are consistent with those used in the most recent audited consolidated financial statements for the financial year ended 30 June 2017.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted all the Singapore Financial Reporting Standards ("SFRS") and Interpretations of FRS ("INT FRS") that are effective for the current financial year. The adoption of new/revised SFRS and INT FRS does not have any material impact on the financial statements for the financial year ended 30 June 2018.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings per ordinary shares of the Group for the period based on profit after income tax :	Unaudited FY 30 June 2018	Audited FY 30 June 2017
(a) Based on the weighted average number of ordinary shares in issue (basic) (RMB cents)	0.51	0.32
(b) On a fully diluted basis (RMB cents)	0.51	0.32
Weighted average number of ordinary shares in issue	1,055,459,201	1,055,459,201

The basic and fully diluted earnings per share were the same as there were no potentially dilutive ordinary shares in issue as at 30 June 2018 and 30 June 2017.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Unaudited As at 30 June 2018	Audited As at 30 June 2017
Group		
Net assets value per ordinary share based on total number of issued shares excluding treasury shares (RMB cents)	7.37	6.86
Company		
Net assets value per ordinary share based on total number of issued shares excluding treasury shares (RMB cents)	8.44	12.57

The net asset value per ordinary share for the Group and Company is calculated based on the issued share capital of 1,055,459,201 ordinary shares as at 30 June 2018 and 30 June 2017.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review for the performance of the Group for the financial year ended 30 June 2018 ("FY2018") as compared to the financial year ended 30 June 2017 ("FY2017").

Consolidated Statement of Comprehensive Income

Revenue

During FY2018 and FY2017, the Group had recorded the following:

	Group	
	FY2018	**FY2017**
Procurement (Metric tonnes, "MT"):		
- Apples	93,876	72,619
- Semi processed apple juice	3,952	356
- Pears	4,751	-
Total	102,579	72,975
Production (MT):		
- Apple juice	18,629	12,311
- Fructose	914	-
Total	19,542	12,311
Sales volume (MT):		
- Apple juice	18,565	12,912
- Pear juice	313	672
- Fructose	609	-
Total	19,487	13,584
Average selling price (RMB per MT):		
- Fruit juice	6,178	6,496
- Fructose	7,390	-

Average procurement cost of raw materials in FY2018 was lower as compared to FY2017, based on fluctuations of the market prices. The subsidiary of the Company, Yuncheng Zhongxin Fruit and Juice Company Limited ("Yuncheng Zhongxin") leveraged on the trend of lower raw materials prices and higher demand from its end customers, procured higher volume of apples and pears for its production. Hence, the Group recorded a higher level of production in FY2018.

On the other hand, the shortage of quality raw materials in the procurement region of a subsidiary, Xuzhou Zhongxin Fruit and Juice Company Limited ("Xuzhou Zhongxin") persisted. Having reviewed the price and quality of raw materials and overall market demand, the Management decided to continue the temporary suspension of Xuzhou Zhongxin's production which has taken place since the second half of calendar year 2015 ("Temporary Suspension"). The Management will continuously monitor the situation and if market conditions improve, it will consider resuming production in Xuzhou Zhongxin's plant in the next fruit harvesting season in the second half of the calendar year 2018.

The Group grew its revenue to RMB121.9 million in FY2018, representing an increase of RMB33.1 million or 37% as compared to RMB88.8 million in FY2017. This was mainly due to higher customer demand for concentrated apple juice as reflected by its higher sales volume, partially offset by the marginal decrease in average selling price of the concentrated fruit juices in FY2018 attributable to intense market competition.

In FY2018, Yuncheng Zhongxin commenced production of apple and pear fructose in line with the Group's diversification plan to develop new product offerings. The sales of fructose constituted approximately 4% of the Group's sales in FY2018.

Gross profit

In tandem with higher revenue, gross profit increased from RMB20.8 million in FY2017 to RMB28.2 million in FY2018. Gross profit margin for both FY2018 and FY2017 remained consistent at an average of approximately 23%.

Other income

Other income recorded in FY2018 decreased by RMB0.3 million mainly due to the following:

- decrease in interest income of RMB0.1 million in relation to interest received from the Group's immediate holding company, SDIC Zhonglu Fruit and Juice Co., Limited ("SDIC Zhonglu") for excess cash deposit by the Group in satisfaction of one of the conditions imposed by SDIC Zhonglu for providing financing to the Group; and
- absence of write-back of trade and other payables of RMB0.2 million present in FY2017, which were recorded by Yuncheng Zhongxin and Xuzhou Zhongxin prior to the periods when the Company underwent judicial management ("JM") from 16 May 2011 to 20 December 2012 and were assessed to be no longer payable due to the passage of time.

Expenses

The increase in distribution expenses was mainly due to higher freight and transportation costs incurred in FY2018 attributable to increased shipment volume as well as higher freight rates charged by the Group's logistic provider due to increased fuel costs.

The decrease in administrative expenses was mainly due to the decrease in depreciation and salaries attributable to Xuzhou Zhongxin relating to the Temporary Suspension.

The increase in finance costs was mainly due to the higher level of financing received from the Group's immediate holding company, SDIC Zhonglu in FY2018.

Share of (loss) / profit from equity-accounted joint venture

In FY2018, the Group's share of loss from its equity-accounted joint venture, Linyi SDIC Zhonglu Fruit Juice Co., Ltd ("Linyi") was approximately RMB0.4 million as compared to share of profit of RMB2.0 million in FY2017. Linyi incurred loss in FY2018 despite improved revenue over the period mainly due to the higher freight and transportation costs incurred attributable to higher shipment volume and higher freight rates.

Profit for the financial year

Due to the reasons explained above, the Group delivered an improved performance of RMB5.4 million profit after taxation in FY2018 as compared to RMB3.4 million in FY2017.

Statements of Financial Position

The comparative for both the assets and liabilities are based on the Group's financial statements as at 30 June 2018 and 30 June 2017.

Non-current assets increased by approximately RMB0.9 million from RMB82.7 million as at 30 June 2017 to RMB83.6 million as at 30 June 2018 mainly due to the following:

Investment in joint venture

Investment in joint venture decreased by approximately RMB0.4 million due to a lower carrying amount of the investment in Linyi following the share of loss in FY2018.

Property, plant and equipment ("PPE")

PPE increased by approximately RMB1.5 million due to addition amounted to RMB7.0 million mainly relating to purchase of machineries and equipment, partially offset by depreciation charges of RMB5.2 million and disposal of PPE of RMB0.3 million.

The addition of PPE in FY2018 was mainly incurred by Yuncheng Zhongxin for its factory's water treatment upgrading work and water conservation project ("Water Treatment Upgrading Project") carried out by the company.

Included in the depreciation charges in FY2018 was an amount of RMB4.2 million (FY2017: RMB3.8 million) that was absorbed into inventories costing while the remaining amount of RMB1.0 million (FY2017: RMB1.0 million) was charged to distribution and administrative expenses.

Land use rights and intangible assets

Land use rights and intangible assets decreased by RMB0.2 million due to the amortisation of land use rights and intangible assets.

Current assets increased by approximately RMB12.0 million from RMB52.1 million as at 30 June 2017 to RMB64.1 million as at 30 June 2018 mainly due to the following:

Other receivables

Other receivables decreased by approximately RMB0.2 million mainly due to receipt of amount receivable from the relevant authority of Fengxian county in compensation for the compulsory acquisition of a portion of the land and structure adjourning Baiyi river belonging to Xuzhou Zhongxin for the purpose of creating a garden belt for Baiyi river.

Receivable from a related party

The amount receivable from a related party of RMB0.3 million as at 30 June 2018 arose due to the disposal of machineries and equipment to the related party.

Receivable from immediate holding company

Receivable from immediate holding company increased by approximately RMB0.7 million in relation to sales made to SDIC Zhonglu in FY2018.

Prepayments

Prepayments increased by approximately RMB0.8 million mainly due to higher prepaid expenses made to suppliers as at 30 June 2018.

Inventories

Inventories increased by approximately RMB4.1 million mainly due to higher carrying levels of finished goods as at 30 June 2018 in line with the higher level of production in the financial year.

Non-current Liability - Deferred capital grant

Deferred capital grant relates to government grant received by Yuncheng Zhongxin for the development of Water Treatment Upgrading Project. The grant is recognised as deferred capital grant and amortised over the useful life of the plant.

Current liabilities increased by approximately RMB7.3 million from RMB62.3 million as at 30 June 2017 to RMB69.6 million as at 30 June 2018 mainly due to the following:

Payable to immediate holding company

Payable to immediate holding company increased by approximately RMB5.5 million mainly due to advances received for the funding of the Group's working capital to support its increased production in the financial year.

Borrowings

Yuncheng Zhongxin secured a bank loan of RMB2.0 million in FY2018 for working capital purpose to support its increased production in the financial year.

Negative working capital

As at 30 June 2018, the Group's current liabilities exceeded current assets by RMB5.6 million, an improvement of RMB4.6 million as compared to the shortfall of RMB10.2 million as at 30 June 2017. The immediate holding company of the Group has continued to finance the Group's working capital requirements by making available working capital. The Group will continue to be dependent on its immediate holding company for financial support and its connections for entry into new markets. The Group is consistently looking into the various possibilities to expand and diversify its business with the view of improving profitability and the financial position of the Group, hence reducing the dependence on its immediate holding company eventually.

Statement of Cash Flows

Net cash generated from operating activities of RMB1.3 million in FY2018 was mainly due to the positive cash flows before working capital changes, offset by the increase in the amount receivable from immediate holding company and prepayments.

Net cash used in investing activities of RMB5.9 million in FY2018 was mainly due to addition of property, plant and equipment.

The Group generated net cash from financing activities of RMB4.3 million in FY2018 mainly due to advances received from its immediate holding company of RMB5.5 million and proceed from borrowings of RMB2.0 million, offset by interest paid of RMB3.0 million.

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

Not applicable. No forecast or prospect statement had been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group was able to ride on the growth momentum in the fruit juice market in FY2018 and recorded improvement in the results. However, the Group remains cautious as challenges such as competition and the volatilities in demand and supply of raw materials as well as prices persist. The challenges have placed tremendous pressure on the fruit juice processing manufacturers. However, these pose as short term challenges to the Group as the Group remains bullish on the longer term outlook of the economy and the fruit juice industry. As the world population becomes increasingy health conscious, the importance of apple juice concentrate as the essential raw materials for juice products will continue to increase. Along with the increased affluence and higher awareness of the benefits of apple and pear juice globally, the Group is optimistic on the future demand for the concentrated apple and pear juice market.

Riding on this trend, the Group's longer term plan will include developing new business and exploring broadening of product offerings to include other value-added products such as vegetable juice and its related products, accelerate the structural readjustment of product segments and enhance external communication and collaboration. These efforts aim to drive the Group towards the objectives of increasing profitability and competitiveness hence strengthening the Group's financial position and industry reach.

11. If a decision regarding dividend has been made:

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

No dividend was declared for FY2018.

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

Not applicable.

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

Not applicable. No dividend was declared for FY2017.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared for FY2018.

13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (RMB'000)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) (RMB'000)
SDIC Zhonglu	(a) Payment to a subsidiary of SDIC Zhonglu for lease of certain storage facility 533	(b) Sales by the Group to SDIC Zhonglu and its group of companies. 121,123
		(c) Interest paid by subsidiaries of the Company with respect to the working capital provided by SDIC Zhonglu. 2,952
		(d) Interest received from SDIC Zhonglu for excess cash deposit by the Group in relation to financing from SDIC Zhonglu Group. 538
Total	533	124,613

Transaction (a) was in relation to the lease of certain storage facility which falls within the exception set out under Rule 916(1) of the Catalist Rules.

Transactions (b), (c) and (d) were conducted pursuant to the renewed shareholders' mandate for IPTs approved by shareholders on 26 October 2017.

Save as disclosed above, there are no other IPTs above S$100,000 in FY2018.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers in the format as set out in Appendix 7H in accordance with Rule 720(1) of the Catalist Rules.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

15. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

There is no breakdown by business segments as the Group's operations and sales in the financial year were predominantly related to fruit juice concentrate.

There is no breakdown by geographical markets as the Group's operations and customers (including those customers secured via SDIC Zhonglu) are all based in People's Republic of China.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or operating segments.

Please refer to paragraph 8 above for details.

17. A breakdown of sales.

Breakdown of sales	Group		
	Unaudited FY 30 June 2018 RMB'000	Audited FY 30 June 2017 RMB'000	Increase / (Decrease) %
First half year			
(a) Sales	52,829	42,021	26%
(b) Operating loss after tax before deducting non-controlling interest	(4,258)	(3,527)	21%
Second half year			
(c) Sales	69,040	46,798	48%
(d) Operating profit after tax before deducting non-controlling interest	9,616	6,949	38%

Sales in the second half of FY2018 increased by approximately 31% as compared to the first half of FY2018 as the Group experienced higher demand for its products in the second half year of FY2018.

The Group recorded operating profit in the second half year of FY2018 as compared to operating loss in the first half year of FY2018 mainly due to:

a) higher gross profit contribution from the sales in second half year of FY2018 due to increased sales volume; and
b) share of profit from equity accounting of the results of Linyi in the second half year of FY2018 as compared to the share of loss in the first half year of FY2018.

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable. No dividend has been declared or recommended for FY2018 and FY2017.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

The Company confirms that there is no person occupying a managerial position in the Group who is a relative of a director, chief executive officer, or substantial shareholder of the Company pursuant to Rule 704(10).

BY ORDER OF THE BOARD

Zhang Jiming
Chairman

27 August 2018

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