

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 2017

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 2017. These figures have not been audited.

	Group		Increase / (Decrease) %
	Unaudited FY 30 June 2017 RMB'000	Audited FY 30 June 2016 RMB'000	
Revenue	88,956	88,182	1%
Cost of sales	(68,017)	(73,228)	(7%)
Gross profit	20,939	14,954	40%
<u>Other income:</u>			
Other operating income	808	3,870	(79%)
<u>Expenses:</u>			
Distribution expenses	(7,104)	(10,246)	(31%)
Administrative expenses	(11,010)	(11,778)	(7%)
Finance costs	(2,180)	(2,846)	(23%)
Share of profit from equity accounted joint venture	1,997	8,095	(75%)
Profit before income tax	3,450	2,049	68%
Income tax expense	(28)	(734)	(96%)
Profit for the financial year	3,422	1,315	160%
Other comprehensive income for the financial year, net of tax	-	-	
Total comprehensive income for the financial year attributable to owners of the Company	3,422	1,315	160%

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

	Group	
	Unaudited FY 30 June 2017 RMB'000	Audited FY 30 June 2016 RMB'000
<u>Charges</u>		
Amortisation of land use rights and intangible assets	169	212
Depreciation of property, plant and equipment	1,576	1,534
Foreign exchange loss/(gain)	8	(97)
Interest expense	2,161	2,835
<u>Credits</u>		
Interest income	(606)	(3)
Write-back of trade and other payables	(183)	(3,736)

ZHONGXIN FRUIT AND JUICE LIMITED

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

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 30 June 2017 RMB'000	As at 30 June 2016 RMB'000	As at 30 June 2017 RMB'000	As at 30 June 2016 RMB'000
ASSETS				
Non-Current Assets				
Investment in joint venture	10,437	8,440	-	-
Investment in subsidiaries	-	-	48,223	48,223
Property, plant and equipment	64,780	66,143	2	4
Land use rights and intangible assets	7,438	7,607	-	-
	<u>82,655</u>	<u>82,190</u>	<u>48,225</u>	<u>48,227</u>
Current Assets				
Cash and bank balances	6,510	1,785	6,230	1,399
Other receivables	2,446	3,446	-	-
Receivable from subsidiaries	-	-	68,951	75,483
Receivable from related parties	-	812	-	-
Receivable from immediate holding company	34,745	19,228	-	-
Prepayments	1,312	861	-	-
Inventories	7,098	16,309	-	-
	<u>52,111</u>	<u>42,441</u>	<u>75,181</u>	<u>76,882</u>
Total Assets	<u>134,766</u>	<u>124,631</u>	<u>123,406</u>	<u>125,109</u>
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	955	-	-
Accumulated losses	(204,719)	(206,056)	(129,857)	(128,254)
Equity attributable to owners of the Company	<u>72,414</u>	<u>68,992</u>	<u>122,236</u>	<u>123,839</u>
Current Liabilities				
Trade and other payables	8,915	7,718	1,170	1,270
Payable to related parties	-	1,783	-	-
Payable to immediate holding company	53,437	46,138	-	-
	<u>62,352</u>	<u>55,639</u>	<u>1,170</u>	<u>1,270</u>
Total Liabilities	<u>62,352</u>	<u>55,639</u>	<u>1,170</u>	<u>1,270</u>
Total Equity and Liabilities	<u>134,766</u>	<u>124,631</u>	<u>123,406</u>	<u>125,109</u>

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

As at 30 June 2017 and 30 June 2016, the Group did not have any borrowings and debt securities.

ZHONGXIN FRUIT AND JUICE LIMITED

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

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 2017 RMB'000	Audited FY 30 June 2016 RMB'000
Cash flows from operating activities		
Profit before income tax	3,450	2,049
Adjustments for :		
Amortisation of land use rights and intangible assets	169	212
Depreciation of property, plant and equipment	1,576	1,534
Share of profit from equity accounted joint venture	(1,997)	(8,095)
Write-back of trade and other payables	(183)	(3,736)
Interest expense	2,161	2,835
Interest income	(606)	(3)
Operating cash flows before working capital changes	4,570	(5,204)
Inventories	12,435	34,741
Other receivables	1,000	199
Receivable from related parties	801	(801)
Receivable from immediate holding company	(15,517)	(7,793)
Prepayments	(451)	(614)
Trade and other payables	1,380	(2,236)
Payable to related parties	(28)	28
Cash flows from operations	4,190	18,320
Income tax paid	(28)	(734)
Net cash generated from operating activities	4,162	17,586
Cash flows from investing activities		
Interest received	606	3
Purchase of property, plant and equipment	(3,437)	(2,001)
Net cash used in investing activities	(2,831)	(1,998)
Cash flows from financing activities		
Advances from/(Repayment to) immediate holding company	7,299	(15,829)
Net (repayment to)/advances from related parties	(1,744)	1,224
Interest paid	(2,161)	(2,835)
Net cash generated from/(used in) financing activities	3,394	(17,440)
Net change in cash and cash equivalents	4,725	(1,852)
Cash and cash equivalents at beginning of financial year	1,785	3,637
Cash and cash equivalents at end of financial year	6,510	1,785

ZHONGXIN FRUIT AND JUICE LIMITED

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

- 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 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 reserves	-	-	2,085	(2,085)	-
Balance as at 30 June 2017	252,093	22,000	3,040	(204,719)	72,414
Previous Year:					
Balance as at 1 July 2015	252,093	22,000	791	(207,207)	67,677
Total comprehensive income for the financial year	-	-	-	1,315	1,315
Transfer to statutory and other reserves	-	-	164	(164)	-
Balance as at 30 June 2016	252,093	22,000	955	(206,056)	68,992
Company					
Current Year:					
Balance as at 1 July 2016	252,093	-	-	(128,254)	123,839
Total comprehensive loss for the financial year	-	-	-	(1,603)	(1,603)
Balance as at 30 June 2017	252,093	-	-	(129,857)	122,236
Previous Year:					
Balance as at 1 July 2015	252,093	-	-	(127,001)	125,092
Total comprehensive loss for the financial year	-	-	-	(1,253)	(1,253)
Balance as at 30 June 2016	252,093	-	-	(128,254)	123,839

- 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 of 1,055,459,201 from 31 December 2016 to 30 June 2017.

As at 30 June 2017 and 30 June 2016, there were no outstanding options, convertibles, treasury shares or subsidiary holdings in the Company.

ZHONGXIN FRUIT AND JUICE LIMITED

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

- 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	Unaudited As at 30 June 2017	Audited As at 30 June 2016
Total number of issued shares	1,055,459,201	1,055,459,201
Less : Treasury shares	-	-
Total number of issued shares (excluding treasury shares)	<u>1,055,459,201</u>	<u>1,055,459,201</u>

- 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 2016.

- 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 ("FRS") and Interpretations of FRS ("INT FRS") that are effective for the current financial year. The adoption of new/revised FRS and INT FRS does not have any material impact on the financial statements for the financial year ended 30 June 2017.

ZHONGXIN FRUIT AND JUICE LIMITED

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

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 2017	Audited FY 30 June 2016
(a) Based on the weighted average number of ordinary shares in issue (basic) (RMB cents)	0.32	0.12
(b) On a fully diluted basis (RMB cents)	0.32	0.12
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 2017 and 30 June 2016.

**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 2017	Audited As at 30 June 2016
<u>Group</u>		
Net assets value per ordinary share based on total number of issued shares excluding treasury shares (RMB cents)	6.86	6.54
<u>Company</u>		
Net assets value per ordinary share based on total number of issued shares excluding treasury shares (RMB cents)	11.58	11.73

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 as at 30 June 2017 and 30 June 2016.

ZHONGXIN FRUIT AND JUICE LIMITED

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

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 2017 ("FY2017") as compared to the financial year ended 30 June 2016 ("FY2016").

Consolidated Statement of Comprehensive Income

Revenue

During FY2017 and FY2016, the Group had recorded the following:

	Group	
	FY2017	FY2016
Procurement (Metric tonnes, "MT"):		
- Apples	72,619	52,178
- Semi processed apple juice	356	228
Total	72,975	52,406
Production (MT):		
- Apple juice	12,311	8,579
Sales volume (MT):		
- Apple juice	12,912	10,762
- Pear juice	672	1,931
Total	13,584	12,693
Average selling price (RMB per MT)	6,496	6,885

Average procurement cost of raw materials in FY2017 was lower as compared to FY2016. The subsidiary of the Company, Yuncheng Zhongxin Fruit and Juice Company Limited ("Yuncheng Zhongxin") leveraged on this trend and procured higher volume of apples for its production. Hence, the Group recorded a higher level of production in FY2017.

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 since FY2016. 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 operations which has taken place since the 2nd 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, which typically occurs during the first half of the Group's financial year (or second half of the calendar year).

The Group recorded a 7% increase in the total sales volume of the concentrated fruit juice in FY2017 due to higher customer demand. The higher sales were derived primarily from Yuncheng Zhongxin. However, the lower average selling price of the concentrated fruit juice in FY2017 attributable to intense market competition resulted in the Group recording a marginal increase of 1% or RMB0.8 million in revenue in FY2017 over FY2016.

Gross profit

The increase in the gross profit from RMB15.0 million in FY2016 to RMB20.9 million in FY2017, as well as the improved gross profit margin from 17% to 24% were mainly due to the lower average procurement cost of raw materials.

ZHONGXIN FRUIT AND JUICE LIMITED

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

Other income

Other income in FY2017 decreased by RMB3.1 million mainly due to a decrease in write-back of trade and other payables of RMB3.5 million. These amounts of trade and other payables 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. This was partially offset by the interest income of RMB0.6 million 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.

Expenses

The decrease in distribution expenses was mainly due to the following:

- lower freight and transportation expenses incurred in FY2017 mainly due to lower freight rates charged by the Group's logistic provider. The Group incurred approximately RMB2.8 million of freight and transportation costs in FY2017 as compared to RMB5.6 million in FY2016; and
- lower warehousing storage expenses incurred following the lower level of inventories carried by the Group. The Group incurred approximately RMB2.0 million of warehousing expenses in FY2017 as compared to RMB2.7 million in FY2016.

The decrease in administrative expenses was mainly due to the Temporary Suspension in Xuzhou Zhongxin.

The decrease in finance costs was mainly due to the lower levels of financing received from the Group's immediate holding company, SDIC Zhonglu in the first half of FY2017.

Share of profit from equity-accounted joint venture

In FY2017, the Group's share of profit from its equity-accounted joint venture, Linyi SDIC Zhonglu Fruit Juice Co., Ltd ("Linyi") was approximately RMB2.0 million as compared to RMB8.1 million in FY2016, mainly due to lower revenue recorded attributed to lower sales demand from its end customers.

Income tax expense

Income tax expense was incurred by Yuncheng Zhongxin to account for the tax liability with respect to the write-back of trade and other payables recorded in FY2017. The decrease was due to lower write-back recorded during FY2017.

Profit for the financial year

Due to the reasons explained above, the Group delivered an improved performance of RMB3.4 million profit after taxation in FY2017 as compared to RMB1.3 million in FY2016.

Statements of Financial Position

Non-current assets increased by approximately RMB0.5 million from RMB82.2 million as at 30 June 2016 to RMB82.7 million as at 30 June 2017 mainly due to the following:

Investment in joint venture

Investment in joint venture increased by approximately RMB2.0 million due to the higher carrying amount of investment in Linyi from the share of profit derived from Linyi in FY2017.

ZHONGXIN FRUIT AND JUICE LIMITED

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

Property, plant and equipment

Property, plant and equipment decreased by approximately RMB1.4 million mainly due to the depreciation charges of approximately RMB4.8 million, partially offset by the purchase of property, plant equipment of approximately RMB3.4 million.

Included in the depreciation charges in FY2017 was an amount of RMB3.2 million (FY2016: RMB3.0 million) which were absorbed into inventories costing while the remaining amount of RMB1.6 million (FY2016: RMB1.5 million) was charged to cost of sales, 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 RMB9.7 million from RMB42.4 million as at 30 June 2016 to RMB52.1 million as at 30 June 2017 mainly due to the following:

Other receivables

Other receivables decreased by approximately RMB1.0 million mainly due to:

- receipt of RMB0.3 million receivable from the relevant authority of Fengxian county in compensation for the compulsory acquisition of a portion of the land and structure adjoining Baiyi river belonging to Xuzhou Zhongxin for the purpose of creating a garden belt for Baiyi river;
- value-added-tax ("VAT") receivable of RMB0.4 million recorded by Yuncheng Zhongxin as at 30 June 2016 was settled in FY2017; and
- collection of other receivables and deposits of RMB0.3 million in FY2017.

Receivable from related parties

The amount receivable from related parties of RMB0.8 million as at 30 June 2016 mainly in relation to sales made to related parties and prepayment made to a related party to secure the lease of certain storage facility, which was fully settled and expensed off respectively by 30 June 2017.

Receivable from immediate holding company

Receivable from immediate holding company increased by approximately RMB15.5 million in relation to sales made to SDIC Zhonglu in FY2017.

Prepayments

Prepayments increased by approximately RMB0.5 million mainly due to higher prepaid expenses made to suppliers as at 30 June 2017.

Inventories

Inventories decreased by approximately RMB9.2 million mainly due to lower carrying levels of finished goods as at 30 June 2017 as a result of sales of finished goods.

ZHONGXIN FRUIT AND JUICE LIMITED

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

Current liabilities increased by approximately RMB6.7 million from RMB55.6 million as at 30 June 2016 to RMB62.3 million as at 30 June 2017 mainly due to the following:

Trade and other payables

Trade and other payables increased by approximately RMB1.2 million mainly due to:

- increase in VAT payable of RMB1.6 million recorded by Yuncheng Zhongxin as at 30 June 2017; and
- offset by the decrease in accrued salaries and payroll related expenses of RMB0.5 million due to settlement of past years' accrued liabilities.

Payable to related parties

All outstanding amount payable to related parties were fully settled as at 30 June 2017.

Payable to immediate holding company

Payable to immediate holding company increased by approximately RMB7.3 million mainly due to advances received for the funding of the Group's working capital.

Negative working capital

As at 30 June 2017, the Group's current liabilities exceeded current assets by RMB10.2 million, an improvement of RMB3.0 million as compared to the shortfall of RMB13.2 million as at 30 June 2016. 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 RMB4.2 million in FY2017, mainly due to the positive cash flows before working capital changes and decrease in inventories, partially offset by increase in the amount receivable from immediate holding company.

Net cash used in investing activities of RMB2.8 million in FY2017 was mainly due to the purchases of property, plant and equipment in FY2017.

The Group generated net cash from financing activities of RMB3.4 million in FY2017 mainly due to advances received from its immediate holding company.

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.

ZHONGXIN FRUIT AND JUICE LIMITED

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

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 general outlook of the global economy remains uncertain and challenging. The international fruit juice market has also experienced persistent weakening. 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 increasingly 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 FY2017.

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

Not applicable.

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

Not applicable. No dividend was declared for FY2016.

(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 FY2017.

ZHONGXIN FRUIT AND JUICE LIMITED

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

- 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) Purchase of concentrated apple juice by a subsidiary of the Company from subsidiaries of SDIC Zhonglu. 2,480	(c) Sales by the Group to SDIC Zhonglu. 87,668
	(b) Payment to a subsidiary of SDIC Zhonglu for lease of certain storage facility 1,030	(d) Interest paid by subsidiaries of the Company with respect to the working capital provided by SDIC Zhonglu. 2,161
		(e) Interest received from SDIC Zhonglu for excess cash deposit by the Group in relation to the financing from SDIC Zhonglu Group. 604
Total	3,510	90,433

Transaction (a) represented approximately 4.04% of the Group's latest audited net tangible assets of RMB 61,385,000.

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

Please refer to the announcements made by the Company on 18 November 2016 and 29 September 2016 for details on the above IPTs.

Save as disclosed above, there are no other IPTs above S\$100,000 in FY2017.

- 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.

ZHONGXIN FRUIT AND JUICE LIMITED

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

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 operating segments.

Please refer to paragraph 8 above for details.

17. A breakdown of sales.

Breakdown of sales	Group		Increase / (Decrease) %
	Unaudited FY 30 June 2017 RMB'000	Audited FY 30 June 2016 RMB'000	
<u>First half year</u>			
(a) Sales	42,021	58,048	(28%)
(b) Operating (loss)/profit after tax before deducting non-controlling interest	(3,527)	4,650	(176%)
<u>Second half year</u>			
(c) Sales	46,935	30,134	56%
(d) Operating profit/(loss) after tax before deducting non-controlling interest	6,949	(3,335)	(308%)

Sales in the second half of FY2017 increased by approximately 12% as compared to the first half of FY2017 as the Group experienced higher demand for its products in the second half year of FY2017.

The Group recorded operating profit in the second half year of FY2017 as compared to operating loss in the first half year of FY2017 mainly due to:

- a) higher gross profit contribution from the sales in second half year of FY2017 due to lower average procurement costs; and
- b) share of profit from equity accounting of the results of Linyi in the second half year of FY2017 as compared to the share of loss in the first half year of FY2017.

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 FY2017 and FY2016.

ZHONGXIN FRUIT AND JUICE LIMITED

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

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

25 August 2017

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 Lance Tan, Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).