

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

Company Registration No.: 200208395H

Sustainability Report 2020

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This Sustainability Report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

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

The contact person for the Sponsor is Mr Lance Tan, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957 and contact number: (+65) 6590 6881.

BOARD STATEMENT

The Board of Directors (the "Board") is pleased to present its third Sustainability Report (the "Report) of Zhongxin Fruit and Juice Limited (the "Company") together with its subsidiaries (the "Zhongxin Group") for the financial year ended 30 June 2020. This Report provides an overview of the Zhongxin Group's commitments and approach towards sustainability through its operations and business practices in the industry.

This report aims to inform stakeholders of Zhongxin Fruit and Juice Limited about our sustainability efforts in a transparent and accountable manner, which may reflects the Company performance as well as our strategy and vision towards a sustainable future. We recognize that sustainable business practices are key to achieving our vision and mission. We strongly believe in delivering stakeholders value responsibly and positively contributing to society. We therefore place great emphasis on employing a strategic approach to manage and oversee economic, environmental, social and governance ("EESG") factors significant to our business. Our report draws on the internationally recognised framework, the Global Reporting Initiative's ("GRI") Sustainability Reporting Standards.

Early 2020 witnessed a major disruption brought on by the COVID-19 pandemic, which has destabilized both personal lives and businesses. The pandemic reminds us of the importance of integrating sustainability into our business. We continue to work on reducing our negative environmental impact and adopting more responsible business practices across our supply chain. Our efforts are demonstrated with initiatives program through which we aim to off-set our unavoidable emissions, and our evolving supplier assessments which are expanding to include more social considerations.

In this, our third sustainability report, we continue to be based on the 3 material topics that were identified earlier in FY2019. We also firmly believe that building a sustainable business is vital to our continued success. Together with Management, the Board determined these topics to be of significant importance to the Zhongxin Group. Our team has worked hard on the relevant EESG aspects and recognises that the sustainability story is an evergreen journey, and will continue to set challenging yet meaningful targets.

The Zhongxin Group will continue to explore and evaluate business opportunities that have potential to generate value for the stakeholders. While we continue to seek breakthroughs for new growth, we recognise the increasing importance of strengthening the resilience and sustainability of our current business operations.

Through our sustainability journey, we encourage our stakeholders to join us in furthering the economic, environmental, social and governance well-being of the communities with which we interact, together contributing to a sustainability society.

Quan YuHong
Chairman & Executive Director

ABOUT THE ZHONGXIN GROUP

Zhongxin Fruit and Juice Limited (the "Company") and together with its subsidiaries (collectively known as the "Zhongxin 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 primary business of the Zhongxin Group is the production of concentrated apple juice which is sold mainly to multinational Food & Beverage ("F&B") corporations in the United States, European Union, South Africa, Canada, Japan and Australia via SDICZL. The concentrated apple juice produced is used as an ingredient in packet juice drinks, soft drinks, cider, yoghurt and candies.

The Zhongxin Group consists of two wholly-owned subsidiaries, which are Yuncheng Zhongxin Fruit & Juice Company Limited ("Yuncheng Zhongxin") and Xuzhou Zhongxin Fruit & Juice Company Limited ("Xuzhou Zhongxin") and a 50%-owned joint venture company, known as Linyi SDIC Zhonglu Fruit Juice Co., Ltd ("Linyi SDICZL").

The Company is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") with a registered office in Singapore and its main operations are located in the People's Republic of China ("PRC").

Zhongxin Group's main production line is located at Yuncheng, PRC. Since FY2015, the production of Xuzhou Zhongxin has been temporarily suspended due to the shortage of qualified raw materials.

The Zhongxin Group is committed to focus on safe production, food safety, environmental protection and social responsibility in the production and management activities. This will promote better economic development, increase farmers' income and maximize the benefits of investors. Zhongxin Fruit and Juice Limited (the "Company") is an investment holding company.

Reporting Period and Scope

The report covers data and information on our sustainability performance from 1 July 2019 to 30 June 2020 ("FY2020") and discusses the Company's achievements and overall performance from the prior year ("FY2019") included for comparison where possible. This report has been prepared in accordance to the GRI Standards: Core Option.

Fully acknowledging our responsibility towards the future, the corporate sustainability team leads our efforts to increase sustainability advocacy among our stakeholders. Key leaders have been oriented on sustainability, periodically review and reassess for the inclusion of more of our operations in our future editions. The ultimate goal is for us to eventually publish a comprehensive Sustainability Report.

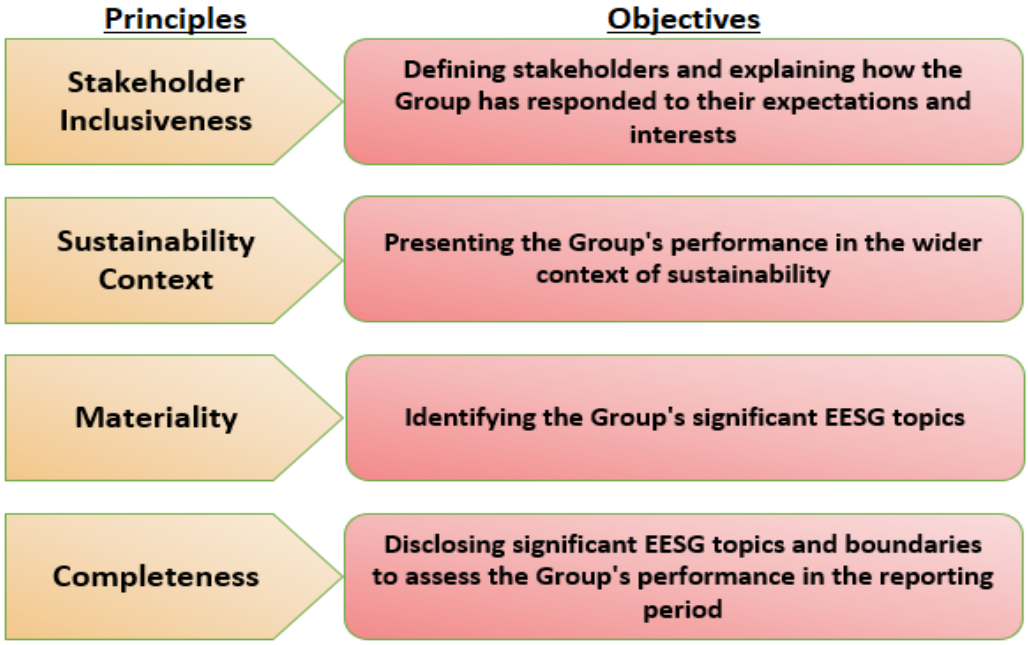
Independent Assurance

No external assurance was obtained for this Report. We will continuously review and consider to undertake an external assurance by an independent professional body on aspects of our next report to cover the next financial year ending 30 June 2021 ("FY2021"), if necessary.

Reporting Framework

This report is prepared in accordance with the SGX's Listing Rules 711A and 711B and the guidelines set out in Practice Note 7F of the SGX Sustainability Reporting Guide. We continue to align our commitment to sustainability reporting with reference from the internationally recognised framework and practices provided by the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines. Zhongxin Group chooses to apply the core principles of the GRI standards to deliver a report that is clear, balanced and transparent. A GRI Content Index on the selected topic-specific disclosures is included in the last section of this report.

The content of this sustainability report is identified by the Content Reporting Principles establish by GRI Standards, as follows:-



WE VALUE YOUR FEEDBACK

We welcome feedback from all our stakeholders on our sustainability efforts to help us continuously improve our policies, practices and performance. Please send your queries or any suggestions on this report to:

Address: 25 International Business Park, #02-53 German Centre, Singapore 609916.
Tel: (+65) 6557 2308
Email: AC@zhongxinfj.com.

OPERATION AND FINANCIAL OVERVIEW

As the COVID-19 pandemic raged for the first half of 2020, global demand for fruit juice concentrate increased. Fruit juice concentrate is one of China's primary juice exports and international sales have recently risen sharply amid a backdrop of otherwise sluggish trade. According to customs statistics, the export volume of fruit juice concentrate during the first half of 2020 reached 245,000 tons with a total value of $245 million, corresponding to year-on-year increase of 140.1% and 98.7% respectively. This massive increase in export volume has been felt throughout all of China's major growing regions.

The Zhongxin Group takes an optimistic view of the growth prospects of the international fruit juice market in the mid to long term. In addition, the Zhongxin Group is cautious as the general outlook of the global economy remains uncertain and challenging.

After the COVID-19 outbreak, transportation within China was severely restricted, which prevented the juice from reaching ports. Local enterprises proactively reached out to their overseas customers to coordinate the handling of the situation and reduce the impact of the pandemic on their businesses. Industry insiders believe that the pandemic does not have a significant effect on exports this season, although its impact on next season has yet to be seen.

The disruption in raw material supply due to the unforeseeable catastrophic freeze occurred in the previous financial year had eased in the current financial year. Average procurement costs of raw material in FY2020 was lower as compared to FY2019 mainly due to the ample supply apples and pears in the market attributed to the better harvesting in the current season. The subsidiary of the Company, Yuncheng Zhongxin Fruit and Juice Company Limited ("Yuncheng Zhongxin") leveraged on this trend of lower procurement costs and higher demand from its end customers during the financial year to procure higher volume of apples and pears and increase its production volume of Yucheng Zhongxin in FY2020.

Although supplies are available in other region, the shortage of quality raw materials in the procurement region of a subsidiary, Xuzhou Zhongxin Fruit and Juice Company Limited ("Xuzhou Zhongxin") persisted in FY2020. After considering the costs and benefits, including the anticipated volume of business, manpower and other resources that need to be put in place to resume production, the Management decided that it may not be commercially viable for Xuzhou Zhongxin to resume its production and has taken the decision to continue the suspension of Xuzhou Zhongxin's fruit juice concentrate production which took place since the 2nd half of calendar year 2015 ("Temporary Suspension").

In the first half of FY2020, Xuzhou Zhongxin has resumed its sales activities which in line to build up the sales volume as market demand improved. The manufacturing of the concentrated apple juice was outsourced to contract manufacturers to support the volume of business. Management will continuously evaluate the viability of resuming the fruit juice concentrate production.

To leverage on the idle and unutilised production area and facilities of Xuzhou Zhongxin due to the Temporary Suspension, Xuzhou Zhongxin has ventured into fresh garlic processing business since June 2020. This is part of the Zhongxin Group's expansion plan to develop new product offerings and the Management expects to record sales from this new product in the next financial year.

Yuncheng Zhongxin increased its fructose production in FY2020 in view of the availability of satisfactory raw materials' supply. The sales of fructose constituted less than 3% of the Zhongxin Group's sales in FY2020.

The decrease in the average selling price of the concentrated fruit juice outweighed the decrease in average procurement costs. Hence, the Zhongxin Group recorded lower gross profit margin of 12.8% in FY2020 as compared to 26.1% in FY2019. These resulted in the gross profit decreased from approximately RMB26.1 million in FY2019 to RMB22.3 million in FY2020.

The fluctuation analyses on other items in the statement of comprehensive income during the FY2020 are as follow:

1. Other income increased by approximately RMB1.5 million mainly due to RMB0.6 million grant received from government, interest income charged to Yuncheng Zhongxin increased by RMB1.8 million and offset by lower write-back of trade payables by RMB0.7 million.

2. Increased in distribution expenses was mainly due to higher transportation and warehousing costs incurred following the increase in the level of production and volume of sales and inventories.

3. Decreased in administrative expenses due to no impairment of property, plant and equipment recognised by Yuncheng Zhongxin in relation to its coal-fired boilers and the ancillary facilities.

4. Zhongxin Group shared the profit from its equity-accounted joint venture, Linyi SDIC Zhonglu Fruit Juice Co., Ltd. ("Linyi SDICZL") of approximately RMB3.9 million in FY2020 as compared to share of loss of RMB3.7 million in FY2019 due to the higher revenue recorded followed by the increased in customer demand.

5. Income tax expenses which consist of approximately RMB0.2 million income tax for the government grant received and approximately RMB0.8 million under-provision of income tax in respect of prior financial years which related to Yuncheng Zhongxin.

Due to the above analysis, Zhongxin Group has recorded a lower profit after tax of approximately RMB3.3 million in FY2020 as compared to RMB4.2 million in FY2019.

The fluctuation analyses on certain items in the statement of financial position as at 30 June 2020 are as follow:

1. Decreased in non-current assets approximately by RMB1.7 million from RMB73.9 million as at 30 June 2019 to RMB72.2 million as at 30 June 2020 due to (a) decreased in property, plant and equipment by approximately RMB5.5 million which mainly included the depreciation charges for the year by approximately RMB5.4 million and RMB1.3 million on disposal/write-off and offset by addition of property, plant and equipment amounted to RMB1.2 million; and offset by (b) increased in investment in joint venture by approximately RMB3.9 million.

2. Increased in current assets by approximately RMB62.8 million from RMB73.7 million as at 30 June 2019 to RMB136.5 million as at 30 June 2020 due to (a) promissory notes receivables of RMB50.0 million; (b) increased in prepayment and inventories by approximately RMB1.7 million and RMB11.6 million respectively as compared to 30 June 2019; and offset by (c) decreased in receivable from immediate holding company by approximately RMB5.3 million.

3. Increased in current liabilities by approximately RMB57.7 million from RMB65.4 million as at 30 June 2019 to RMB123.1 million as at 30 June 2020 mainly due to increased in trade and other payables, payable to immediate holding company and borrowings related to trade financing obtained by Yuncheng Zhongxin by approximately RMB1.6 million, RMB6.5 million and RMB49.6 million respectively as compared to 30 June 2019 as a result of higher level of procurement in FY2020.

The analyses of the statement of cash flows for FY2020 are as follow:

1. Net cash used in operating activities of RMB49.3 million in FY2020 was mainly due to the positive cash flows before working capital changes, offset by changes in working capital outflow largely from the increase in notes receivables and inventories and offset by the decrease in receivable from immediate holding company.

2. Net cash generated from investing activities of RMB2.7 million was due to the interest received and proceeds from disposal of PPE, offset by additions of PPE.

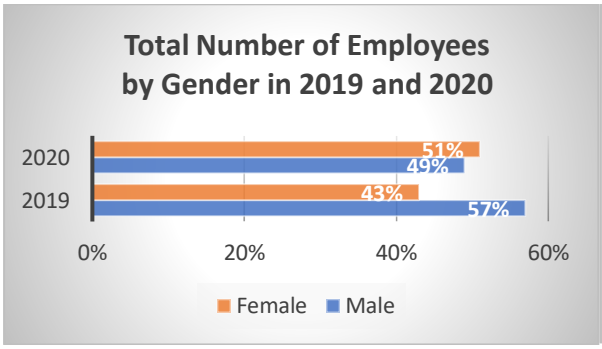
3. Net cash generated from financing activities of RMB51.5 million was mainly due to the drawdown of borrowings.

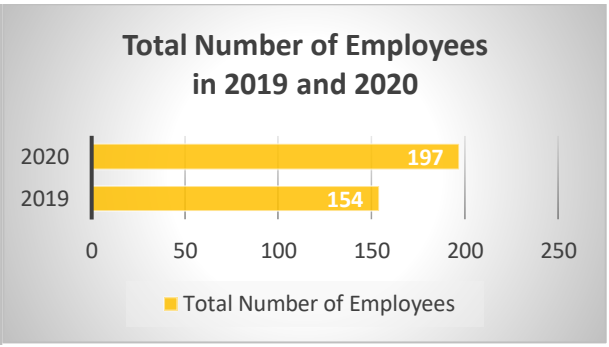
Notwithstanding the improvement in the sales performance and that Zhongxin Group remained profitable in FY2020, Zhongxin Group expects sustaining the growth momentum of the business to remain challenging in the mid to long term. Due to the impact of the CoronaVirus Disease 19 ("Covid-19") pandemic and the dynamic trade tensions between the world's two largest economies - US and China, the Zhongxin Group will stay vigilant and resilient in managing its business operations.

OUR PEOPLE

People defined our organization here at Zhongxin Group. It is our policy to uphold fair employment practices in our hiring process and maintain zero tolerance of any form of discrimination. We believe in providing equal opportunities for all employees to help them realise their fullest potential. From FY2019 to FY2020, our male employee numbers increased from 88 to 96 while the number of female employees we engaged increased from 66 to 101.

Company's name	Number of Employees			
	Gender			
	Male		Female	
	2020	2019	2020	2019
Yuncheng Zhongxin	71	83	52	57
Xuzhou Zhongxin	25	5	48	8
The Company	0	0	1	1
Total	**96**	**88**	**101**	**66**





ZHONGXIN GROUP STRUCTURE

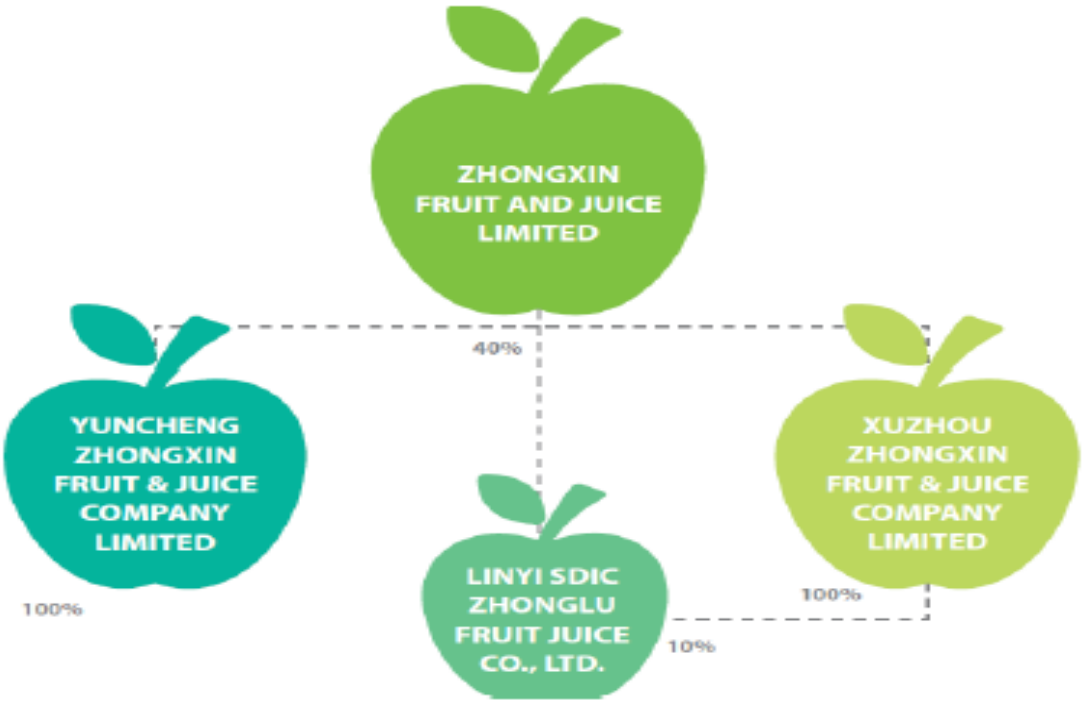


Figure 1: Zhongxin Group's Group Structure for FY2020

GOVERNANCE STRUCTURE

Zhongxin Fruit and Juice Limited (the "Company") has a strong and robust corporate governance structure, which ensures that management is accountable to the stakeholders and operates in an ethical and responsible manner.

The Company has established three committees to assist it in the execution of its responsibilities, namely the Audit Committee, the Nominating Committee and the Remuneration Committee. Each Committee has its own terms of reference and operating procedures, which are reviewed periodically. Appointments of and reviews by independent external and internal auditors in addition to the oversight by the key management enhances governance for Zhongxin Group.

The primary roles of the Board are to protect and enhance long term shareholders' value and returns, set the Zhongxin Group's corporate strategies and directions, oversee management of the Zhongxin Group's business affairs, financial performance and key operational initiatives, and implementations of risk management policies and practices.

The Board holds formal meetings quarterly or convenes ad-hoc meetings when circumstances require. Where a physical board meeting is not possible, the Board can communicate through electronic means or via circulation of written resolutions for approval.

SUSTAINABILITY GOVERNANCE

The Board of Directors takes overall responsibility for driving the sustainability strategy of Zhongxin Group, while the sustainability reporting is led by a Sustainability Reporting Committee ("SRC") which comprises the Steering Committee and Working Committee.

The Steering Committee develop and oversee the sustainability policy and framework. They also provide regular updates to the Board of Directors on the sustainability management performance of Zhongxin Group by addressing key material issues identified by stakeholders with planned follow up measures.

The Working Committee monitors and collates the data and information for the material EESG factors. Both of these committees comprise of representatives from all business units.

Sustainability management will be embedded in our values, vision and mission, which we are in the process of refreshing for Zhongxin Group.



Figure 2: Sustainability Governance Structure

STAKEHOLDER ENGAGEMENT

Stakeholders are defined as groups of people or entities that are directly or indirectly influenced by our business operations and outcomes. Feedback from our key stakeholder groups forms a crucial part of our strategic and business planning and is viewed as a valuable insight for Zhongxin Group to continuously improve our sustainability performance.

We nurture meaningful relationships with our stakeholders to provide a better understanding of the Zhongxin Group's operations, strengthen collaboration and engagement, improve communication and transparency, and identify and resolve stakeholder concerns is an essential part of Zhongxin Group's sustainability approach.

We engage with our stakeholders on a frequent basis and through various channels. We are committed to expand our stakeholder engagement methods and use the subsequent output in our future disclosures and materiality assessments.

As part of our stakeholder engagement process, we identified the following key internal and external stakeholder groups:

	Key Stakeholder Groups	Engagement Platforms
Internal stakeholders	 Managers and Employees	• Staff dialogue sessions • Training programmes • Formal / informal meetings • Employee competency skill • Teamwork • Better working environment
External stakeholders	 Supplier and Farmers	• Phone calls • Formal / informal meetings • Equitable selling prices • Stable cooperation
	 Investors and Shareholders	• Annual report and sustainability report • Announcement and circulars • Public announcement on Company • Annual General Meeting • Better corporate governance • High financial returns • Identify risk and opportunities
	 Parent Company (SDICZL)	• Formal and informal meetings • Workshops • Sustainable development • Advocating best practices
	 Government Agency and Regulators	• Site visits and workshops • Formal meetings • Dialogue sessions • Compliance with rules and regulations

Figure 3: Approaches of Stakeholder Engagement

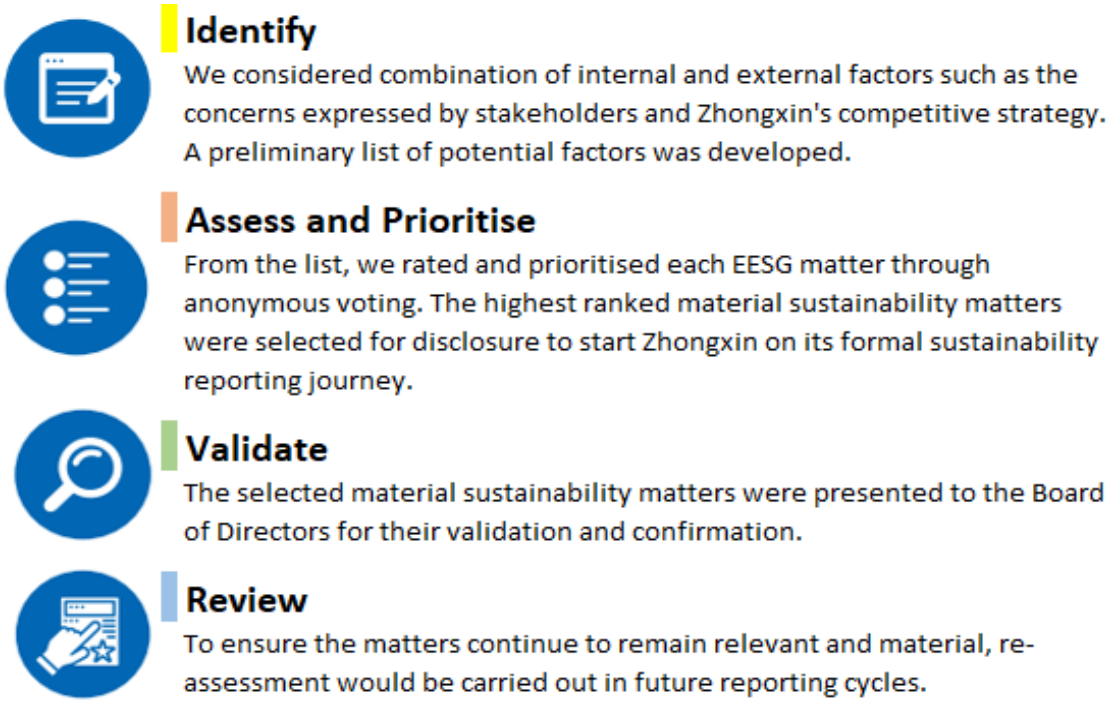
MATERIALITY ASSESSMENT

Materiality is a critical element of our sustainability strategy because it ensures we provide our stakeholders with the sustainability information most relevant to them and our business.

The Zhongxin Group has engaged an external sustainability consultant to work with the Steering and Working Committee on the sustainability approach and has developed a list of EESG topics that the Zhongxin Group considered material and important to the stakeholders.

The Zhongxin Group conducted a four-step process to determine the relevant material EESG topics that are key areas of interest to our stakeholders.

Our materiality assessment process:



The Steering Committee has prioritised the material topics based on the impact to the operations and the inputs received from the various stakeholders whom they have contacted and interacted from the day-to-day business activities. The following EESG topics have been identified and the approaches of managing these topics are stated in this report:

Materiality EESG Topics	
GRI 306-1	Effluents Management
GRI 404-1	Training and Education for Employee
GRI 416-2	Quality and Safety on Concentrated Juice

Responses to COVID-19

The COVID-19 pandemic has influenced how we interact with each other on a daily basis and shaped new business processes in ways we are only beginning to understand. At the same time, it has posed significant threats to both the health of our employees and growth of our business.

We continue to partner closely with local governments in all regions where we operate to keep our teams safe and help prevent the spread of the disease. Acting with an abundance of caution, we established early preventative protocols to reduce the risk of exposure, including remote work and separate teams to minimize the number of people working on-site at the same time, additional cleaning and social distancing.

While we cannot choose our circumstances, we can choose our actions. In unprecedented and challenging times like these, our actions must reflect our values and the best of who we are as a company - our people, our resources and our creativity - to help humankind.

EFFLUENTS MANAGEMENT



ENVIRONMENTAL

Effluents treatment is the part that we concern and monitor all the time. Waste and effluents management is critical for global sustainable. Proper sanitation, clean water and air is important for human health and the environment. As part of the beverage processing sector, we understand the importance in managing and reducing the waste and effluents generated throughout our operations. Our management philosophy is to adopt a precautionary approach to environmental challenges by addressing material environmental risks and impacts on our operations.

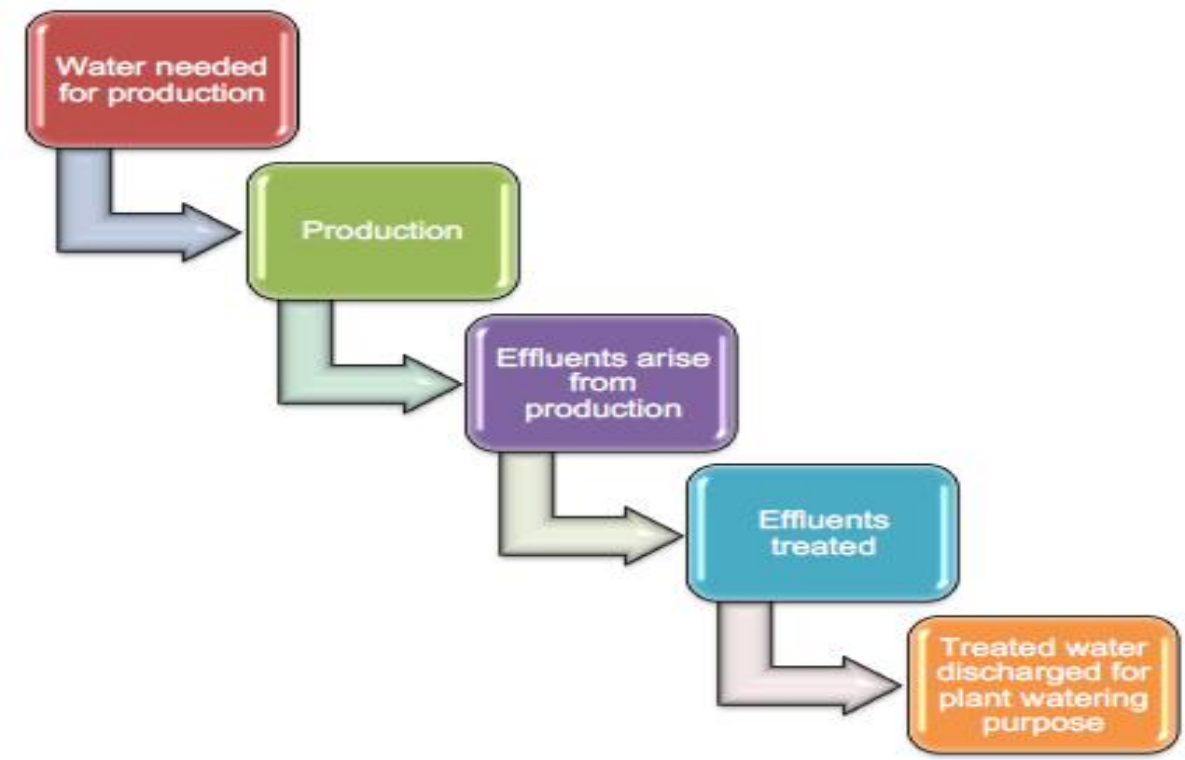
For our communities to prosper and enjoy a high quality of life, we have to conscientiously monitor our discharge into the environment and seek to eliminate or at least reduce any ecological impact. Water scarcity, flooding and lack of proper wastewater management also hinder social and economic development. Increasing water efficiency and improving water management are critical to balancing the competing and growing water demands from various sectors and users.

The Zhongxin Group is committed to operate the business in an environmentally friendly manner. Production of concentrate apple juices require a significant amount of water. After going through the production process, this water becomes effluents which need to be discharged in a proper manner.

We need clean potable water as a vital ingredient for our products as well as for our production process. Therefore, the importance of water and water management is top priority in our business. We constantly seek to achieve more efficient use of water. By constantly pursuing better water saving and technologies, we strive to evolve the way beverage can be produced.

All the Company's sewage is collected into the Company's sewage treatment station through the underground sewage pipe network and the solid-liquid separation is carried out through the filtration equipment in order for the solid material to be sent to the garbage disposal station for pollution-free treatment. After the sewage treatment process is passed through the biochemical treatment, the sewage is discharged to the temporary storage pool outside the Company. The treated sewage can fully meet the requirements of farmland irrigation water standards and is used by local villagers for irrigation and land greening in nearby fields.

Managing waste also brings about potential cost-savings to our organisation. Looking into resource efficiency in our production will enable us to create more with less and deliver greater value to our stakeholders. The Zhongxin Group will ensure that the treated effluents can fully meet the requirements of the farmland irrigation water standards. All the treated water is sent to a storage pool which is located outside of the Zhongxin Group's premises and used by the local farmers for plant irrigation. The following diagram shows the summary of the process of treating the effluents:



The table below shows the total volume of what used for production, effluents products and treated monthly for FY2019 and FY2020:

	Water needed for Production	Effluents arising from Production	Effluents Treated
2019	24,818 cubic meters	27,515 cubic meters	27,515 cubic meters
2020	139,000 cubic meters	209,000 cubic meters	209,000 cubic meters

The effluents collected were approximately 209,000 cubic meters per month during the FY2020 production season.

In compliance with relevant national environmental regulations, the Zhongxin Group uses natural gas in all operational plants. Natural gas is more environmentally friendly, less costly in terms of per unit of energy and more readily available domestically.

TRAINING AND EDUCATION FOR EMPLOYEE

Employees are our most vital asset. We are committed to fair, equitable and quality employment practices in our recruitment process to attract, develop and retain a talented, innovative, flexible and motivated workforce.

We embrace diversity and inclusion, aim to attract and retain the best people to work with us, develop their talents and abilities, and most importantly, watch out for their safety and well-being. Therefore, training and education become necessary process in order to equip our employees with the knowledge and skills to perform work safety without endangering the lives of themselves or their colleagues. We also continue to engage with our employees to understand and address any challenges.

We offer internal trainings to assist employees achieve a higher level of competency and safety standards, in order to further enhance the quality of our services and products. Zhongxin Group will also source for external training courses for employees if it is required. Such training also aims to build a well-motivated, stable workforce with a high level of teamwork. A key objective of training is to develop competencies, which would enable our employees to perform their current or future jobs successfully.

It is compulsory for employees to attend safety training courses to build and maintain a safe working environment and culture.

The following trainings remained compulsory for employees and monitored by the Human Resource Department:

- Good manufacturing process (GMP);
- HACCP system – quality control;
- FSSC22000 Food safety and quality management system;
- Linyi county safety supervision bureau safety training; and
- Concentrated apple juice processing procedures and related knowledge.

All our employees were subjected to an annual performance review to discuss their job performance and career goals which training hours is of indicators in the annual performance review. In FY2020, the average number of training courses attended per employee is 60 which is 45 minutes per course which has exceeded the targeted training hours set in prior year. In the next financial year ending 30 June 2021 (“FY2021”), our target is to provide at least the same number of courses which is 60 courses in order to enhance the employees’ skills and knowledge.

QUALITY AND SAFETY ON CONCENTRATED JUICE

China has become the biggest exporter of fruit juice concentrate. In the 2020 season, China increased its production of apple juice by 6.7% annually. Continuous development and improvement efforts are carried out based on customer satisfaction, legal requirements, food safety and quality management system.

While globalization makes the world come closer, it threatens the familiar and traditional ways of growing foods at the same time. Eventually, it may have an impact on the average consumer's health.

In the beverage business, our priority is to ensure that consumers understand our commitment to provide healthy and safe for consumption concentrated juice which conform to food safety standards and regulatory requirements. In order to provide concentrated juices that are fit for safe consumption by the end users, Zhongxin Group develops stringent quality control and food safety policy. We appreciate the complexities in the beverage value chain and the risk of quality mishaps that could potentially occur during the sourcing, manufacturing, storage or delivery of our concentrated juices.

The government in China has established stringent "Food Safety Law" for the food industry. According to the food safety law, the Zhongxin Group must carry out quality control and evaluation of the production process and finished products. The Zhongxin Group has engaged an independent third party inspector to test and verify the finished products at least twice a year.

Concentrated juices are tested based on the following main factors:

- Acidity
- Microorganism
- Pesticide Residue
- Turbidity
- Patulin

Across all our factories, we enforce stringent quality control with regards to our manufacturing processes. Over the years, we have continuously improved our processes and held ourselves to the highest standards of beverage production. Zhongxin Group continues to complies with several food safety standard and guidelines, such as the US FDA standards, ISO quality and HACCP guidelines. Regarding to the set standards and guidelines, we are able to develop preventive controls and identify potential food safety risk which result in approaches to mitigate the risks.

With our constant focus on product quality and safety, the Zhongxin Group has not breached any health and safety related regulations in FY2020. There were also no fines or non-monetary sanctions for non-compliance with regulations. We target to maintain zero product recalls in 2021.

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102-49	Changes in reporting	None	
102-50	Reporting period	About the Zhongxin Group	Page 4 - 5
102-51	Date of most recent report	Operation and Financial Overview	Page 6 - 8
102-52	Reporting cycle	About the Zhongxin Group	Page 4 - 5
102-53	Contact point for questions regarding the report	About the Zhongxin Group	Page 4 - 5
102-54	Claims of reporting in accordance with GRI Standards	About the Zhongxin Group	Page 4 - 5
102-55	GRI Content Index	GRI Content Index	Page 19 - 20
102-56	External assurance	None	
Management Approach			
103-1	Explanation of the material topic and its boundary	Materiality Assessment	Page 13 – 14
103-2	The management approach and its components	Materiality Assessment	Page 13 – 14
103-3	Evaluation of the management approach	Materiality Assessment	Page 13 – 14
Topic-Specific Standards			
GRI 306: Effluents and Waste			
306-1	Water discharge by quality and destination	Effluents Management	Page 14 – 16
GRI 404: Training and Education			
404-1	Average hours of training per year per employee	Training and Education for Employee	Page 17
GRI 416: Customer Health and Safety			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Quality and Safety on Concentrated Juice	Page 18