

CIRCULAR DATED 15 OCTOBER 2020

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt about its contents or the action you should take, you should consult your bank manager, stockbroker, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of Zhongxin Fruit and Juice Limited (the “**Company**”) (“**Shares**”) held through the Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular together with the Notice of Extraordinary General Meeting and the enclosed Proxy Form to the purchaser or transferee as CDP will arrange for a separate Circular together with the Notice of Extraordinary General Meeting and the enclosed Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your Shares represented by physical share certificate(s), you should immediately forward this Circular together with the Notice of Extraordinary General Meeting and the enclosed Proxy Form to the purchaser or the transferee, or to the bank, stockbroker or agent through whom the sale or the transfer of Shares was effected, for onward transmission to the purchaser or the transferee.

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

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

ZHONGXIN FRUIT AND JUICE LIMITED

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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (1) THE PROPOSED DIVERSIFICATION OF THE BUSINESS OF ZHONGXIN GROUP TO INCLUDE THE PROCESSING AND DISTRIBUTION OF AGRICULTURE PRODUCTS**
- (2) THE PROPOSED REVISION AND ADOPTION OF THE REVISED GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS**

**Independent Financial Adviser
in respect to the Revised General Mandate
for Interested Person Transactions**



CEL Impetus Corporate Finance Pte Ltd

CEL IMPETUS CORPORATE FINANCE PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No.: 201631484Z)

IMPORTANT DATES AND TIMES

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| Last date and time for lodgement of Proxy Form | : | 28 October 2020 at 10.30 a.m. |
| Date and time of Extraordinary General Meeting | : | 30 October 2020 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m.) |
| Place of Extraordinary General Meeting | : | The Extraordinary General Meeting will be held by electronic means |

DEFINITIONS

In this Circular, the following definitions shall apply throughout unless the context otherwise requires:

“associate”	:	(a) In relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means: <ul style="list-style-type: none">(i) his immediate family;(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and (b) In relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more, or such other definition as the Listing Manual may from time to time prescribe
“Audit Committee”	:	Audit committee of the Board
“Board” or “Board of Directors” or “Directors”	:	The Directors of the Company as at the Latest Practicable Date
“Catalist Rules”	:	The SGX-ST Listing Manual Section B: Rules of Catalist
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 15 October 2020 (including its appendices)
“Company”	:	Zhongxin Fruit and Juice Limited
“Existing IPT Mandate”	:	The general mandate for interested person transactions expiring on 30 October 2020, the date of annual general meeting of the Company
“Extraordinary General Meeting”	:	The extraordinary general meeting of the Company, to be convened and held on 30 October 2020

DEFINITIONS

“FY”	:	Financial year ended or ending 30 June
“IFA”	:	CEL Impetus Corporate Finance Pte Ltd, the independent financial adviser appointed to advise the Independent Directors in respect to the Revised IPT Mandate
“IFA Letter”	:	The letter dated 15 October 2020 from the IFA to the Independent Directors in relation to the Revised IPT Mandate as set out in Appendix C to this Circular
“Independent Directors”	:	The Directors who are considered independent for the purpose of making the recommendation to the Independent Shareholders in respect of the proposed revision and adoption of the Revised IPT Mandate, namely, Tham Mun Chee and Liu Xiuwen
“Independent Shareholders”	:	Shareholders who are deemed to be independent for the purpose of the proposed revision and adoption of the Revised IPT Mandate
“Latest Practical Date”	:	9 October 2020
“Linyi SDICZL”	:	Linyi SDIC Zhonglu Fruit Juice Co., Ltd.
“Notice of EGM”	:	The notice of EGM (or any adjournment thereof) which is set out on pages 36 to 39 of this Circular
“Revised IPT Mandate”	:	The revised general mandate for interested person transactions to be adopted at the Extraordinary General Meeting
“SDICF”	:	SDIC Finance Co., Ltd.
“SDICZL”	:	SDIC Zhonglu Fruit Juice Co., Ltd.
“SDICZL Group”	:	SDICZL and its subsidiaries (excluding Zhongxin Group but including Linyi SDICZL)
“SDICZL Interested Persons”	:	SDICZL and its associates listed in Appendix A
“SDICZL Interested Person Transactions”	:	Transactions entered into between a SDICZL Interest Person and a member of Zhongxin Group
“SGX-ST”	:	The Singapore Exchange Securities Trading Limited

DEFINITIONS

“SGXNET”	:	The SGXNET Corporate Announcement System, being a system network used by listed companies to send information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
“Shareholders”	:	Registered holders of Shares in the Register of Members, or where the registered holder is the CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by the CDP whose Securities Accounts are credited with those Shares
“Xuzhou Zhongxin”	:	Xuzhou Zhongxin Fruit & Juice Company Limited
“Yuncheng Zhongxin”	:	Yuncheng Zhongxin Fruit & Juice Company Limited
“Zhongxin Group”	:	The Company and its subsidiaries, collectively for the time being excluding Linyi SDICZL

Depositors. The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

Subsidiaries and related corporations. The terms “**subsidiaries**” and “**related corporations**” shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.

References. Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Time and date. Any reference to a time of day and date in this Circular is made by reference to Singapore time and date, unless otherwise stated.

Statutes. Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Securities and Futures Act, the Companies Act or the Listing Manual or any statutory or regulatory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Securities and Futures Act, the Companies Act or the Listing Manual or such statutory or regulatory modification thereof, as the case may be, unless otherwise provided.

Headings. The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

LETTER TO SHAREHOLDERS

ZHONGXIN FRUIT AND JUICE LIMITED

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

Board of Directors:

Quan Yuhong (Chairman and Executive Director)
Xiaoyao (Non-Executive Director)
Tham Mun Chee (Lead Independent Director)
Liu Xiuwen (Independent Director)

Registered Office:

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

15 October 2020

To: The Shareholders of **ZHONGXIN FRUIT AND JUICE LIMITED**

Dear Sir/Madam,

- (1) **THE PROPOSED DIVERSIFICATION OF THE BUSINESS OF ZHONGXIN GROUP TO INCLUDE THE PROCESSING AND DISTRIBUTION OF AGRICULTURE PRODUCTS**
- (2) **THE PROPOSED REVISION AND ADOPTION OF THE REVISED GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS**

1. INTRODUCTION

The Directors wish to seek approval of Shareholders at the Extraordinary General Meeting to be held on 30 October 2020 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting to be held at 10.00 a.m. on the same day) by electronic means for

- (a) the proposed diversification of the business of Zhongxin Group to include the processing and distribution of agriculture products ("**Proposed Diversification**"); and
 - (b) the proposed revision and adoption of the Revised IPT Mandate
- (collectively "**Proposed Corporate Actions**").

The purpose of this Circular is to provide Shareholders with relevant information pertaining to the aforesaid Proposed Corporate Actions to be tabled as a special matter at the Extraordinary General Meeting and to seek Shareholders' approval for the resolutions relating to the same.

Virtus Law LLP is the legal adviser to the Company as to Singapore law in relation to the Proposed Corporate Actions.

LETTER TO SHAREHOLDERS

2. THE PROPOSED DIVERSIFICATION OF BUSINESS

2.1 Existing Business of Zhongxin Group and Rationale for the Proposed Diversification

Zhongxin Group's primary business is the production of concentrated juice mainly for export to multinational F&B corporations in the United States, European Union, South Africa, Canada, Japan and Australia via SDICZL. The concentrated juice produced is used as an ingredient in packet juice drinks, soft drinks, cider, yoghurt and candies.

Currently, Zhongxin Group operates two wholly-owned subsidiaries – Yuncheng Zhongxin, Xuzhou Zhongxin and has a 50%-owned joint venture – Linyi SDICZL.

Xuzhou Zhongxin had ceased production of concentrated juice since FY2015 due to the higher cost of raw material in Jiangsu province.

Xuzhou Zhongxin owns the land use rights of a 141,592 square metres land in Xuzhou, Jiangsu Province, PRC with a building area of approximately 16,000 square metres (including factory, storage, cold room and dormitory) ("**Xuzhou Factory Facilities**"). Since ceasing production, Zhongxin Group has been exploring on how to convert Xuzhou Factory Facilities for other use.

2.2 Information regarding the Proposed Diversification

Agriculture continues to be a major economic sector in the region where Xuzhou Factory Facilities is located with development towards higher efficiency and more stable yield produce such as garlic, onions and other agriculture products.

Zhongxin Group has studied into agriculture market in the region where Xuzhou Factory Facilities and is of the view that there are potential value add opportunities in the processing, sorting, packaging and distribution of agriculture products.

Zhongxin Group has converted the Xuzhou Factory Facilities for the processing, sorting, packaging and distribution of agriculture products. In particular, Zhongxin Group intends to focus on the sorting, packaging and distribution of garlic initially. Some of the existing equipment in the Xuzhou Factory Facilities may be used for the new business while other equipment may be relocated to premises of Yuncheng Zhongxin, if practical or disposed of.

Xuzhou Zhongxin has entered into a memorandum of intent with an agriculture produce exporter in Hainan ("**Hainan Distributor**") who intends to buy garlic from Xuzhou Zhongxin when it starts its operation. The Hainan Distributor is long term customer of SDICZL and was referred to Xuzhou Zhongxin by SDICZL. Xuzhou Zhongxin will also leverage on the sales network of SDICZL since many of SDICZL's customers also buy agriculture products or are distributors of agriculture products. Subject to the proposed revision and adoption of the Revised IPT Mandate being approved, Xuzhou Zhongxin will pay SDICZL a commission as provided in the Revised IPT Mandate for all sales to the Hainan Distributor and other customers referred to by SDICZL.

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2.3 Key management of the Proposed Diversification

Mr. Ding Zhanchun, the general manager assistant of Xuzhou Zhongxin, will lead Xuzhou Zhongxin to engage in the new business. Mr. Ding has been general manager assistant of Xuzhou Zhongxin since 2020 and he was appointed to oversee the new business. Prior to the appointment, Mr. Ding has over 20 year experience in various positions in the manufacturing including management positions. Prior to joining Xuzhou Zhongxin, he was the general manager assistant of Shanxi SDIC Zhonglu Fruit Juice Co., Ltd.

In addition, Zhongxin Group intends to hire or transfer qualified personnel with suitable expertise and experience to support Mr. Ding, as and when appropriate.

2.4 Funding of the Proposed Diversification

The Proposed Diversification does not require significant capital investment since Zhongxin Group will be utilising the Xuzhou Factory Facilities. As the Xuzhou Factory Facilities has ceased production for quite some time, Zhongxin Group has budgeted S\$500,000 (to be funded by Zhongxin Group's internal resources) to service, upgrade and convert the Xuzhou Factory Facilities for the sorting and packaging of agriculture produce.

2.5 Risk Factors

Zhongxin Group could be affected by a number of risks that may relate to the Proposed Diversification. If any of the following considerations, risks or uncertainties develop into actual events, the business, financial position, results of operations and/or prospects of Zhongxin Group may be materially and/or adversely affected.

To the best of the Directors' knowledge and belief, all the risk factors that are material to Shareholders in making an informed decision on the Proposed Diversification are set out below. The risks set out below are not intended to be exhaustive and are not presented in any particular order of importance. There may be additional risks not presently known to the Company or are currently not deemed to be material. New risk factors may emerge from time to time and it is not possible for the Directors and/or the management to predict all risk factors, nor can Zhongxin Group assess the impact of all risk factors on the Proposed Diversification or the extent to which any factor or combination of factors may affect Zhongxin Group.

Shareholders should evaluate carefully the following considerations and the other information in this Circular before deciding on whether to vote in favour of the Proposed Diversification. Shareholders should seek professional advice from your accountant, stock brokers, bank managers, solicitors or other professional advisers if you have any doubt about the actions you should take.

The following are potential risks associated with the Proposed Diversification:

- (a) *Zhongxin Group is susceptible to shortages and fluctuations in the prices of our raw materials*

It is anticipated that our raw materials purchases accounted for more than 80% of our cost of sales. Our raw materials are fresh agriculture products purchased from individual farmers and traders.

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Our business is therefore highly dependent on the constant and sufficient supply of these raw materials and Zhongxin Group is also affected by adverse fluctuations in the prices of these raw materials depending on the supply and demand conditions from time to time. Any major shortages in the supply and/or adverse fluctuations in the prices of these raw materials could reduce the output and/or result in an increase in our production cost.

Such reduction in the output and/or increase in the costs (which in the event Zhongxin Group not able to pass on to our customers either partially or wholly) will have an adverse effect on our business and financial performance.

(b) Our competitiveness is dependent on our suppliers' competitiveness

Our competitiveness is dependent on our suppliers' competitiveness both in terms of price and quality. It is not practical for Xuzhou Zhongxin to source for supply from other parts of China. If the surrounding region is not able grow and produce quality fresh agriculture products at competitive price, Zhongxin Group will not be able to compete with other distributors from other regions in PRC.

(c) Zhongxin Group does not have an existing customers base

We have not entered into any long-term contract with any customers. Accordingly, there is no assurance that we can secure any orders. Currently, Zhongxin Group intends to rely on SDICZL to refer customers.

The Company has put up the proposed revision and adoption of the Revised IPT Mandate for Shareholders' approval. There is no assurance that the revision and adoption of the Revised IPT Mandate will be approved or renewed in the future.

(d) Zhongxin Group is susceptible to natural disasters, adverse weather conditions and outbreak of plant-related diseases

The supply of fresh agriculture products is vulnerable to the occurrence of any of the abovementioned events. If Zhongxin Group is not able to obtain sufficient supply of these raw materials upon occurrence of any of the abovementioned events, the production of our business will be disrupted and in turn, our financial performance will be adversely affected.

(e) The business of distribution of agriculture products is highly competitive

Zhongxin Group will face competition from both our existing competitors and new entrants to the market. Some of our competitors may have, in comparison to us, lower costs of operation and greater resources. Zhongxin Group may also face increased competition from new competitors as the barrier of entry is not high. Some of our competitors may have longer operating history, larger customer bases, better products, better suppliers and/or stronger financial resources. Increased competition may result in lower prices, reduced profit margins, loss of market share and/or increased difficulty in market penetration, any of which could materially and adversely affect our operations and/or financial results. There is no assurance that Zhongxin Group will be able to remain competitive and Zhongxin Group may not compete effectively with existing or new competitors in the future and this may adversely affect our business and financial position.

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- (f) The outbreak of Covid-19 and/or other communicable diseases, if uncontrolled, could affect our financial performance and prospects

The outbreak of Covid-19 and/or other communicable diseases, if uncontrolled, can have an adverse effect on business sentiments and environment. In addition, if any of our employees, our customers or our suppliers is affected by the outbreak of communicable diseases, our operations, our customers' orders and our supply of raw materials may be adversely affected. Accordingly, our sales and profitability will be materially and adversely affected.

- (g) The new business is subject to PRC Food Safety Law and PRC Law on Quality and Safety of Agricultural Products in PRC

The new business is subject to PRC Food Safety Law and PRC Law on Quality and Safety of Agricultural Products in PRC. Any failure by us to comply fully with such laws and regulations will result in us being subject to penalties and fines or being required to pay damages.

Xuzhou Zhongxin has obtained various licences and permits required by food hygiene laws and regulations in PRC. Such permits and certificates may be renewed upon expiry. Under the licensing requirements, Xuzhou Zhongxin is subject to regular inspections by the relevant authorities in charge. There is no assurance that Xuzhou Zhongxin will be able to maintain or obtain these approvals in future. Any failure to maintain or renew governmental licences, permits and approvals could have a material adverse effect on our business, production and operating results.

2.6 Potential Conflicts of Interests

Zhongxin Group intends to start with sorting, packaging and distribution of garlic, and may expand to processing, sorting, packaging and distribution of other agriculture products in the future. SDICZL has confirmed to the Company none of its subsidiaries is currently involved in the distribution of garlic. However, there is no assurance that any of SDICZL Interested Persons will not in future distribute similar agriculture products as Zhongxin Group. There is a possibility that some of the agriculture products distributed by Zhongxin Group in the future will be similar to those distributed by one or more of the SDICZL Interested Persons.

The Company is of the view that there is no competition between Zhongxin Group and the relevant SDICZL Interested Person(s). The type of agriculture products Zhongxin Group or a SDICZL Interested Person will distribute depends on what the farmers in the surrounding region grow and produce. Neither SDICZL nor Zhongxin Group has control over the agriculture landscape in their respective surrounding region. As none of the SDICZL Interested Persons is in Xuzhou, there is no competition between Zhongxin Group and another SDICZL Interested Person access to farmers in Xuzhou. Furthermore, there are many other unrelated distributors, and the PRC market for the distribution of agriculture products is highly fragmented. It is not foreseeable that Zhongxin Group or any of SDICZL Interested Persons will be a dominant distributor in the market in the near future.

In view of the foregoing, the Board is of the view that it is not necessary for Zhongxin Group to enter into any non-compete agreement with SDICZL.

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3. THE PROPOSED REVISION AND ADOPTION OF THE REVISED GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

3.1 Background

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

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

Shareholders had approved the adoption of the Existing IPT Mandate at the extraordinary general meeting of the Company held on 21 September 2012 to enable Zhongxin Group to enter into transactions with SDICZL Interested Persons, provided that such SDIC Interested Person Transactions are carried out on normal commercial terms and in accordance with the review procedures set out in the Circular to Shareholders dated 6 September 2012 ("**Circular 2012**"). The Existing IPT Mandate has been renewed with amendments in several annual general meetings of the Company.

The Audit Committee has carried a full review of the Existing IPT Mandate and proposes a revision to the Existing IPT Mandate.

The Directors propose to seek the approval of Shareholders for the Revised IPT Mandate to be adopted at the Extraordinary General Meeting. The Revised IPT Mandate will take effect from the date of the passing of the ordinary resolution relating thereto at the Extraordinary General Meeting and continue in force until the conclusion of the next annual general meeting of the Company. For avoidance of doubt, all transactions entered into between Zhongxin Group and SDICZL Interested Person(s) prior to the Revised IPT Mandate is adopted will continue to be covered under the Existing IPT Mandate.

The scope of the Revised IPT Mandate, the details of such SDICZL Interested Person Transactions, the SDICZL Interested Persons, the approval and review procedures for the SDICZL Interested Person Transactions have been revised.

The general administrative procedure for SDICZL Interested Person Transactions remain substantially unchanged from the Existing IPT Mandate.

The Revised IPT Mandate will cover the following transactions:

- (a) the recurring working capital financing provided by SDICZL Interested Persons to Zhongxin Group;
- (b) the provision of treasury services by SDICF or another SDICZL Interested Person to Zhongxin Group;

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- (c) the sale of products of the Zhongxin Group to SDICZL Interested Person(s); and
- (d) the appointment of any SDICZL Interested Person(s) as distributor(s) of Zhongxin Group.

The full version of the Revised IPT Mandate is set out in Appendix B of this Circular.

3.2 Rationale for the Revised IPT Mandate and benefits to Shareholders

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

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

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

The Company believes that the Revised IPT Mandate will enable Zhongxin Group additional flexibility to tap on the financial support from the SDICZL Interested Persons as and when the need arises.

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

The Revised IPT Mandate seeks to clarify the Existing IPT Mandate. Please refer to paragraph 3.4.1 for further details.

The Proposed Provision of Treasury Services by SDICF or another SDICZL Interested Person to Zhongxin Group

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

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

The Proposed Sale of Products of Zhongxin Group to SDICZL Interested Persons

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

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

Zhongxin Group has appointed SDICZL Interested Persons as non-exclusive distributors under the Existing IPT Mandate, and Zhongxin Group shall continue to rely on the sales networks of SDICZL Interested Person(s) as Zhongxin Group currently does not have the resources to establish a sizeable sales and distribution team. The appointment of interested SDICZL Interested Person(s) as non-exclusive distributor(s) is also extended to cover the distribution of our products under the Proposed Diversification.

As the aggregate transaction value of the above SDICZL Interested Person Transactions may exceed 5% of Zhongxin Group's latest audited net tangible assets, the Company is proposing to table the resolution in respect of the proposed revision and adoption of the Revised IPT Mandate for approval by Shareholders at the Extraordinary General Meeting.

The Revised IPT Mandate and the renewal thereof on an annual basis is intended to facilitate the SDICZL Interested Person Transactions which are likely to be transacted with some frequency from time to time, provided that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. Please refer to Appendix B of this Circular for information on methods and procedures put in place to ensure the above SDICZL Interested Person Transactions, if carried out, are on normal commercial terms and not prejudicial to Company and minority Shareholders

3.3 Disclosures

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

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

3.4 Significant Changes to the Revised IPT Mandate and Rationale

3.4.1 Clarification on other means of financing

The Existing IPT Mandate does not specify the means of financing other than entrusted loan. The Revised IPT Mandate clarifies, *inter alia*, that:

- (a) financing provided by SDICZL Interested Persons to Zhongxin Group can be any means permissible under the laws of the PRC;
- (b) financing may be provided through factoring of negotiable instruments, invoice and other credit or payment instruments by Zhongxin Group in favour of SDICZL Interested Person(s); and
- (c) the Revised IPT Mandate refers only to working capital financing.

3.4.2 Extension to cover the provision of treasury services

SDICF has been providing treasury services to Zhongxin Group. However, the provision of treasury services was not covered under the Existing IPT Mandate. With the Proposed Diversification, the Company expects that the amount placed with SDICF or another SDICZL Interested Person may increase, and the interest payable by SDICF or another SDICZL Interested Person may increase correspondingly. In view of the foregoing, the Company proposes that the Revised IPT Mandate be extended to cover the provision of treasury services.

Shareholders should take note that if the aggregate interest paid by SDICF or another SDICZL Interested Person in a financial year is less than S\$100,000, such payment may not be recorded as a transaction under the Revised IPT Mandate.

3.4.3 Extension to cover the distribution of products under the Proposed Diversification

The Company proposes that the Revised IPT Mandate be extended to cover the distribution of the products under the Proposed Diversification. While SDICZL Interested Persons are not established in the distribution of agriculture products, many of their existing customers buy agriculture products or are distributors of agriculture products.

3.4.4 Introduction of a new procedure on the determination of the commission/discount

The Company proposes a new procedure for the Audit Committee to determine the commission/discount SDICZL Interest Person(s) is entitled to as a distributor or buyer.

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3.4.5 Increase in the approval limit of the Chief Executive Officer and the Chief Financial Officer

The Existing IPT Mandate has been in force for several years. The procedure has been reviewed and refined over the years including the current major revision. The Audit Committee is of the view that time is right to increase in the approval limit of the Chief Executive Officer and the Chief Financial Officer or persons who perform such function and responsibility as procedure tightens.

3.5 **Review of the Revised IPT Mandate**

The internal auditors of the Company will review the established guidelines and procedures for the SDICZL Interested Person Transactions annually. The results of such reviews will be submitted to the Audit Committee.

If the Audit Committee comes to the view that the guidelines and procedures as provided in the Revised IPT Mandate are not sufficient to ensure that SDICZL Interested Person Transactions will be on normal commercial terms and will not be prejudicial to the interests of the Company and the minority Shareholders or has become inappropriate, the Company will obtain a fresh mandate from the Shareholders based on new guidelines and procedures for SDICZL Interested Person Transactions.

4. **INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

	Number of Shares			% of total Issued Shares
	Direct Interest	Deemed Interest	Total Interest	
<u>Directors</u>				
Quan Yuhong	—	—	—	—
Xiaoyao	—	—	—	—
Tham Mun Chee	—	—	—	—
Liu Xiuwen	—	—	—	—
<u>Substantial Shareholders (other than Directors)</u>				
SDICZL	560,598,425	—	560,598,425	53.11
State Development and Investment Corporation ⁽¹⁾	—	560,598,425	560,598,425	53.11
Ho Kam Har	163,171,897	—	163,171,897	15.46
Go Twan Heng	120,750,399	—	120,750,399	11.44

Note:

- (1) State Development and Investment Corporation is deemed to be interested in the 560,598,425 shares held by SDICZL.

LETTER TO SHAREHOLDERS

5. OPINION OF THE IFA TO THE NON-INTERESTED DIRECTORS

Pursuant to Rule of the Catalist Rules, CEL Impetus Corporate Finance Pte Ltd has been appointed as the independent financial adviser to Tham Mun Chee and Liu Xiuwen (“**Non-Interested Directors**”) to render an opinion on the review procedures proposed by the Company as set out in Appendix B to this Circular including the amendments are sufficient to ensure that the SDIC Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

Having regard to the considerations set out in this IFA Letter and the information made available to the IFA as at the Latest Practicable Date, the IFA is of the opinion that the approval and review procedures for the Revised IPT Mandate as set out in Appendix B to the Circular, if adhered to and applied consistently, are sufficient to ensure that the SDICZL Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

The IFA Letter is reproduced in the Appendix C to this Circular. Shareholders are advised to read the IFA Letter carefully and consider it in the context of this Circular. The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and the IFA Letter reproduced in the Appendix C, and all references thereto in the form and context in which they appear in this Circular, and to act in such capacity in relation to this Circular.

6. AUDIT COMMITTEE’S STATEMENT

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

Mr. Xiaoyao is nominated by SDICZL, and hence, shall abstain from expressing any views and making any recommendation on the proposed revision and adoption of the Revised IPT Mandate.

7. DIRECTORS’ RECOMMENDATION

Having reviewed and considered the rationale for and benefits of the Proposed Diversification, the Directors are of the opinion that the Proposed Diversification is beneficial to, and in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the Ordinary Resolution 1 relating to the Proposed Diversification as set out in the Notice of EGM

Having reviewed and considered the rationale for and benefits of the proposed revision and adoption of the Revised IPT Mandate and the views of the Audit Committee, the Non-Interested Directors are of the opinion that the proposed revision and adoption of the Revised IPT Mandate is beneficial to, and in the best interests of the Company. Accordingly, the Non-Interested Directors recommend that Shareholders vote in favour of the Ordinary Resolution 2 relating to the proposed revision and adoption of the Revised IPT Mandate as set out in the Notice of EGM.

LETTER TO SHAREHOLDERS

The Non-Interested Directors are of the opinion that the Revised IPT Mandate is not prejudicial to the interests of the Company and its minority Shareholders and are satisfied that the review procedures set out in Appendix B to this Circular are sufficient to ensure that the SDICZL Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

Ms. Quan Yuhong and Mr. Xiaoyao are nominated by SDICZL and hence, shall abstain from expressing any views and making any recommendation of the proposed revision and adoption of the Revised IPT Mandate.

8. EXTRAORDINARY GENERAL MEETING

The Extraordinary General Meeting, notice of which is issued with this Circular, will be held by electronic means on 30 October 2020 at 10:30 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting to be held at 10.00 a.m. on the same day) for the purpose of considering and if, thought fit, passing, with or without modification, the resolutions relating to the Proposed Diversification and the proposed revision and adoption of the Revised IPT Mandate as set out in the Notice of EGM.

9. ACTION TO BE TAKEN BY SHAREHOLDERS

Due to the mandatory safe distancing measures issued by the Singapore Ministry of Health in relation to the Covid-19 outbreak, the Company will conduct the EGM by electronic means only and Shareholders will not be able to physically attend the EGM. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the Extraordinary General Meeting by (a) watching the EGM proceedings via “live” webcast or listening to the Extraordinary General Meeting proceedings via “live” audio feed, (b) submitting questions in advance of the Extraordinary General Meeting, and/or (c) voting by proxy at the Extraordinary General Meeting. Please refer to Notice of Extraordinary General Meeting for further details.

10. DIRECTORS’ RESPONSIBILITY STATEMENT

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

LETTER TO SHAREHOLDERS

11. ABSTENTION FROM VOTING

SDICZL will abstain and have undertaken to ensure that its associates will abstain from voting on the Ordinary Resolution 2 relating to the proposed revision and adoption of the Revised IPT Mandate as set out in the Notice of EGM. SDICZL and its associates will also not accept appointments as proxies unless specific instructions as to voting are given. As Ms. Quan Yuhong and Mr. Xiaoyao are nominated by SDICZL, both of them will not accept nominations to act as proxy, corporate representative or attorney to vote in respect of Ordinary Resolution 2 unless the Shareholder appointing him or her indicates clearly how votes are to be cast in respect of Ordinary Resolution 2.

12. DOCUMENT AVAILABLE FOR INSPECTION

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

Yours faithfully,

For and on behalf of Zhongxin Fruit and Juice Limited

Tham Mun Chee
Lead Independent Director

APPENDIX A LIST OF INTERESTED PERSONS

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

	Chinese Name	Name	Nature of relationship
1	国投中鲁果汁股份有限公司	SDIC ZHONGLU FRUIT JUICE CO., LTD.	SDICZL
2	国投中鲁果汁有限公司	No English name	Associate of SDICZL
3	山西国投中鲁果汁有限公司	SHANXI SDIC ZHONGLU FRUIT JUICE CO., LTD.	Associate of SDICZL
4	云南国投中鲁果汁有限公司	YUNNAN SDIC ZHONGLU FRUIT JUICE CO., LTD.	Associate of SDICZL
5	辽宁国投中鲁果汁有限公司	LIAONING SDIC ZHONGLU FRUIT JUICE CO., LTD.	Associate of SDICZL
6	乳山中诚果汁饮料有限公司	RUSHAN ZHONGCHENG JUICE AND BEVERAGE CO., LTD.	Associate of SDICZL
7	中鲁(欧洲)有限公司	ZHONGLU (EUROPE) SP. Z O.O.	Associate of SDICZL
8	中鲁美洲有限公司	ZHONGLU AMERICA CORPORATION	Associate of SDICZL
9	河北国投中鲁果蔬汁有限公司	HEBEI SDIC ZHONGLU FRUIT AND VEGETABLE JUICE CO., LTD.	Associate of SDICZL
10	山东鲁菱果汁有限公司	SHANDONG LULING FRUIT JUICE CO., LTD.	Associate of SDICZL
11	富平中鲁果蔬汁有限公司	FUPING ZHONGLU FRUIT AND VEGETABLE JUICE CO., LTD.	Associate of SDICZL
12	万荣中鲁果汁有限公司	WANRONG ZHONGLU FRUIT JUICE CO., LTD.	Associate of SDICZL
13	临猗国投中鲁果汁有限责任公司	LINYI SDIC ZHONGLU FRUIT JUICE CO., LTD.	Associate of SDICZL
14	青岛国投中鲁果汁有限公司	QINGDAO SDIC ZHONGLU FRUIT JUICE CO., LTD.	Associate of SDICZL
15	国投中鲁(山东)农牧发展有限公司	SDIC ZHONGLU (SHANDONG) AGRICULTURE AND ANIMAL HUSBANDRY DEVELOPMENT CO., LTD.	Associate of SDICZL
16	山东力合中鲁果蔬加工有限公司	No English name	Associate of SDICZL
17	国投中鲁研发中心	SDIC ZHONGLU RESEARCH AND DEVELOPMENT CENTER	Associate of SDICZL
18	国投中鲁乳山研发中心	SDIC ZHONGLU RUSHAN RESEARCH AND DEVELOPMENT CENTER	Associate of SDICZL

APPENDIX A LIST OF INTERESTED PERSONS

	Chinese Name	Name	Nature of relationship
19	国家开发投资集团公司	STATE DEVELOPMENT & INVESTMENT CORP., LTD.	Associate of SDICZL
20	中投谘询有限公司	CHINA NATIONAL INVESTMENT CONSULTING CO., LTD.	Associate of SDICZL
21	中国国投高新产业投资有限公司	CHINA SDIC GAOXIN INDUSTRIAL INVESTMENT CORP., LTD.	Associate of SDICZL
22	安信证券股份有限公司	ESSENSE SECURITIES CO., LTD.	Associate of SDICZL
23	中国投融资担保股份有限公司	CHINA NATIONAL INVESTMENT AND GUARANTY CORPORATION	Associate of SDICZL
24	国投财务有限公司	SDIC FINANCE CO., LTD.	Associate of SDICZL
25	国投资本股份有限公司	SDIC CAPITAL CO., LTD.	Associate of SDICZL
26	国投瑞银基金管理有限公司	UBS SDIC FUND MANAGEMENT CO., LTD.	Associate of SDICZL
27	国投泰康信托有限公司	SDIC TAIKANG TRUST CO., LTD.	Associate of SDICZL
28	国投健康产业投资有限公司	No English name	Associate of SDICZL
29	国投创益产业基金管理有限公司	SDIC CHUANGYI INDUSTRY FUND MANAGEMENT CO., LTD.	Associate of SDICZL
30	国投融资租赁有限公司	SDIC LEASING CO., LTD.	Associate of SDICZL
31	融实国际控股有限公司	RONGSHI INTERNATIONAL HOLDING CO., LTD.	Associate of SDICZL
32	国投智能科技有限公司	SDIC INTELLIGENCE CO., LTD.	Associate of SDICZL

APPENDIX B

SCOPE OF REVISED IPT MANDATE

Capitalised terms shall have the same meaning as those defined in the circular to shareholders of Zhongxin Fruit and Juice Limited dated 15 October 2020 unless otherwise defined. All references to Chief Executive Officer or Chief Financial Officer shall apply to a person who performs such function and responsibility.

The Revised IPT Mandate will cover the following transactions:

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

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

SDICZL Interested Persons

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

As at the 23 September 2020, SDICZL owns 560,598,425 Shares representing 53.11% of the total issued Shares.

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

Details of the Proposed SDICZL Interested Person Transactions

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

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

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

APPENDIX B SCOPE OF REVISED IPT MANDATE

Annual routine check with financial institutions

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

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

Lending of working capital

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

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

Factoring

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

APPENDIX B

SCOPE OF REVISED IPT MANDATE

Interest rate (including factoring discount)

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

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

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

Provision of securities

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

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

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

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

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

APPENDIX B

SCOPE OF REVISED IPT MANDATE

to Zhongxin Group and from time to time, Zhongxin Group may place funds with SDICF or another SDICZL Interested Person for which Zhongxin Group will receive interest from SDICF or another SDIC Interested Person on such amounts. The interest shall be at a rate to be agreed between SDICZL and the Company.

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

The Sale of Products by Zhongxin Group to SDICZL Interested Persons

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

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

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

APPENDIX B

SCOPE OF REVISED IPT MANDATE

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

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

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

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

Determination of commission and discount

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

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

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

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

Approval and Review Procedures for the SDICZL Interested Person Transactions

Review Procedures

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

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

APPENDIX B SCOPE OF REVISED IPT MANDATE

Approval limits for financing

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

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

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

Approval limits for treasury services

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

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

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

Approval limits for sale to SDICZL Interested Persons

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

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

APPENDIX B

SCOPE OF REVISED IPT MANDATE

- (b) a Category 2 transaction i.e. where the value of the transaction is more than RMB15,000,000, must be reviewed and approved by the Audit Committee before such transaction is entered into.

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

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

Approval limits for distribution and agency

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

General Administrative Procedures for the SDICZL Interested Person Transactions

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

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

- (a) A register will be maintained by the Company to record all SDICZL Interested Person Transactions that are entered into pursuant to the Revised IPT Mandate.
- (b) The Audit Committee shall carry out a half-yearly review of all SDICZL Interested Person Transactions entered into pursuant to the Revised IPT Mandate to ensure compliance with the established procedures under the Revised IPT Mandate.

APPENDIX B

SCOPE OF REVISED IPT MANDATE

- (c) Audit Committee will instruct our internal auditors of the Company to review the established guidelines and procedures for the SDICZL Interested Person Transactions annually. In addition, our external auditor would also be checking on the SDICZL Interested Person Transactions during the course of the audit. The results of such reviews will be submitted to the Audit Committee annually.

- (d) If the Audit Committee comes to the view that the guidelines and procedures as stated above are not sufficient to ensure that SDICZL Interested Person Transactions will be on normal commercial terms and will not be prejudicial to the interests of the Company and the minority Shareholders or has become inappropriate, the Company will obtain a fresh mandate from the Shareholders based on new guidelines and procedures for SDICZL Interested Person Transactions. Until such approval is obtained, the prevailing guidelines and procedures shall continue to apply.

APPENDIX C
LETTER FROM CEL IMPETUS CORPORATE FINANCE PTE. LTD.
TO THE INDEPENDENT DIRECTORS OF
ZHONGXIN FRUIT AND JUICE LIMITED

15 October 2020

The Independent Directors
Zhongxin Fruit and Juice Limited
25 International Business Park
#02-53 German Centre
Singapore 609916

Dear Sirs,

THE PROPOSED REVISION AND ADOPTION OF THE REVISED GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

Unless otherwise defined or the context requires otherwise, all terms used herein have the same meanings as defined in the circular dated 15 October 2020 to be circulated to Shareholders (the “Circular”).

1. INTRODUCTION

Zhongxin Group is primarily in the business of producing concentrated juice mainly for export to multinational F&B corporations in the United States, European Union, South Africa, Canada, Japan and Australia through SDICZL. The concentrated juice produced is used as an ingredient in packet juice drinks, soft drinks, cider, yoghurt and candies. Zhongxin Group comprises the Company, two wholly-owned subsidiaries, namely Yuncheng Zhongxin and Xuzhou Zhongxin, and a 50%-owned joint venture, namely Linyi SDICZL. Xuzhou Zhongxin had ceased production since FY2015 due to the higher cost of raw material in Jiangsu province. Xuzhou Zhongxin owns the land use rights of a 141,592 square metres land in Xuzhou, Jiangsu Province, PRC with a building area of approximately 16,000 square metres, including factory, storage, cold room and dormitory (“**Xuzhou Factory Facilities**”). Since ceasing production, Zhongxin Group has been exploring on how to convert Xuzhou Factory Facilities for other use.

Agriculture continues to be a major economic sector in the region where Xuzhou Factory Facilities is located with development towards higher efficiency and more stable yield produce such as garlic, onions and other agriculture products.

Zhongxin Group has studied into agriculture market in the region where Xuzhou Factory Facilities are located and is of the view that there are potential value-add opportunities in the processing, sorting, packaging and distribution of agriculture products.

In the Company’s unaudited full year financial results announcement for the financial year ended 30 June 2020 announced on 21 August 2020, the Company shared that in June 2020, the Group expanded into fresh garlic processing business by working with a reputable strategic partner that has strong global reputation and international distribution channels in the supply of garlic. The Group utilises the Xuzhou Factory Facilities to process the garlic. The sales of processed garlic will commence in the first half of FY2021.

The Company anticipates that in the ordinary course of business, the Zhongxin Group, being the entities at risk, would enter into transactions with persons which are considered as ‘Interested Persons’ as defined in Chapter 9 of the SGX-ST Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”). It is likely that such transactions will occur with some degree of frequency and could arise at any time and from time to time.

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

Shareholders had approved the adoption of the Existing IPT Mandate at the extraordinary general meeting of the Company held on 21 September 2012 to enable Zhongxin Group to enter into transactions with SDICZL Interested Persons, provided that such SDIC Interested Person Transactions are carried out on normal commercial terms and in accordance with the review procedures set out in the Circular to Shareholders dated 6 September 2012 ("**Circular 2012**"). The Existing IPT Mandate has since been renewed with amendments in several annual general meetings of the Company.

The Audit Committee has carried out a full review of the Existing IPT Mandate and proposes a revision to the Existing IPT Mandate (the "**Revised IPT Mandate**").

In connection with the above, CEL Impetus Corporate Finance Pte. Ltd. ("**CICF**") has been appointed by the Company as the independent financial adviser ("**IFA**") pursuant to Rule 920(1)(b)(v) of the Catalist Rules to advise the Directors who are deemed to be independent in respect of the Revised IPT Mandate (the "**Independent Directors**"), on whether the methods or procedures for determining transaction prices pursuant to the Revised IPT Mandate, if adhered to, are sufficient to ensure that the transactions covered under the Revised IPT Mandate will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

This letter (the "**IFA Letter**") has been prepared to be incorporated as **Appendix C** to the Circular which provides, *inter alia*, details of the Revised IPT Mandate and the Audit Committee's Statement thereon.

2. TERMS OF REFERENCE

CICF has been appointed as the IFA to advise the Independent Directors only in respect of whether the methods or procedures for determining transaction prices pursuant to the Revised IPT Mandate, if adhered to, are sufficient to ensure that the transactions conducted under the scope of the Revised IPT Mandate will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

CICF is neither a party to the negotiations or discussions in relation to the Revised IPT Mandate, nor were we involved in the deliberations leading up to the decision on the part of the Company to adopt the Revised IPT Mandate, and we do not, by this IFA Letter, in any way advise on the merits of the Revised IPT Mandate other than to form an opinion, for the purposes of Rule 920(1)(b)(v) of Chapter 9 of the Catalist Rules, on whether the methods or procedures for determining transaction prices pursuant to the Revised IPT Mandate, if adhered to, are sufficient to ensure that the transactions conducted under the scope of the Revised IPT Mandate will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. We have not conducted any comprehensive review of the business, operations or financial conditions of the Zhongxin Group or the SDICZL Interested Person(s).

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For the purpose of arriving at our opinion in respect of the Revised IPT Mandate, we have taken into account the proposed review procedures and guidelines set out by the Company but have not evaluated and have not been requested to comment on the strategic or commercial merits and/or risks of the Revised IPT Mandate, the transactions to be conducted under the scope of the Revised IPT Mandate or the prospects or earnings potential of the Zhongxin Group in view of the adoption of the Revised IPT Mandate, and such evaluation and comments shall remain the sole responsibility of the Directors, although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this IFA Letter.

In the course of our evaluation of the Revised IPT Mandate, we have relied on publicly available information collated by us, information set out in the Circular and the accompanying appendix and information (including representations, opinions, facts and statements) provided to us by the Directors, management and employees, and the advisers of the Company, where applicable. We have relied on the assurances of the Directors and management of the Company that they jointly and severally accept full responsibility for the accuracy, truth, completeness and adequacy of such information and they have upon making all reasonable inquiries and to the best of their respective knowledge, information and belief, disclosed to us all material information in connection with and relating to the Revised IPT Mandate, the Company and the Zhongxin Group, and that such information is true, complete, accurate and fair in all material respects and that there is no other information or fact, the omission of which would cause any information disclosed to or relied upon by us or the facts of or in relation to the Revised IPT Mandate, the Company and/or the Zhongxin Group to be inaccurate, untrue, incomplete, unfair or misleading in any material respect.

Whilst care has been exercised in reviewing the information upon which we have relied, we have not independently verified such information but nevertheless have made such reasonable enquiries and exercised our judgment on the reasonableness of such information as we deemed necessary and have found no reason to doubt the accuracy or reliability of the information. As we have not independently verified any of the aforesaid information whether written or verbal, and have assumed its accuracy, truth, completeness and adequacy, we cannot and do not represent or warrant (expressed or implied), and do not accept any responsibility for the accuracy, truth, completeness or adequacy of such information. We have further assumed that all statements of fact, belief, opinion and intention made by the Directors and the management of the Company to us or in the Circular and the accompanying appendix have been reasonably made after due and careful inquiry.

The scope of our appointment does not require us to conduct any comprehensive independent review of the business, operations or financial conditions of the Company, the Zhongxin Group and/or the SDICZL Interested Person(s), or to express, and we do not express, any view on the future growth prospects, value and earnings potential of the Company and/or the Zhongxin Group after the implementation of the Revised IPT Mandate. Such review or comment, if any, remains the responsibility of the Directors and the management of the Company and/or the Zhongxin Group, although we may draw upon their views or make such comments in respect thereof (to the extent required by the Catalist Rules and/or deemed necessary or appropriate by us) in arriving at our opinion as set out

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in this IFA Letter. We have not obtained from the Company and/or the Zhongxin Group any projection of the future performance including financial performance of the Company and/or the Zhongxin Group and further, we did not conduct discussions with the Directors and management of the Company and/or the Zhongxin Group on, and did not have access to, any business plan and financial projections of the Company and/or the Zhongxin Group. We do not express any opinion herein as to the prices at which the Shares of the Company may trade or the future value, financial performance or condition of the Company and/or the Zhongxin Group, upon or after the implementation of the Revised IPT Mandate.

Our opinion herein is based upon market, economic, industry, monetary and other conditions prevailing on, and the information provided to us as of the Latest Practicable Date. Such conditions may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion in light of, and this IFA Letter does not take into account, any subsequent development after the Latest Practicable Date that may affect our opinion herein.

The Company has been separately advised by its advisers in the preparation of the Circular and the accompanying appendix (other than this IFA Letter). We have no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular and the accompanying appendix (other than this IFA Letter). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Circular and the accompanying appendix (other than this IFA Letter).

We have not regarded the general or specific investment objectives, financial situation, tax position, risk profile or unique needs and constraints of any individual Shareholder. As different Shareholders would have different investment portfolios and objectives, we would advise the Independent Directors to recommend that any individual Shareholder who may require specific advice in relation to his or her investment portfolio should consult his or her stockbroker, bank manager, solicitor, accountant, tax advisor or other professional advisers.

Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any purposes other than for the purposes of the EGM and the Revised IPT Mandate at any time and in any manner without the prior written consent of CICF in each specific case.

This IFA Letter is issued pursuant to Rule 920(1)(b)(v) of the Catalist Rules, as well as for the use and benefit of the Independent Directors. The recommendations made by them to the Independent Shareholders are the responsibility of the Independent Directors.

Our opinion in respect of the Revised IPT Mandate should be considered in the context of the entirety of this IFA Letter, the Circular and the accompanying appendix.

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3. RATIONALE FOR THE REVISED IPT MANDATE AND BENEFIT TO SHAREHOLDERS

It is not within our terms of reference to comment or express an opinion on the merits of the adoption of the Revised IPT Mandate or the future prospects of the Zhongxin Group in view of the adoption of the Revised IPT Mandate. Nevertheless, we have reviewed the rationale for the Revised IPT Mandate and benefits to the Shareholders as set out in Section 3.2 of the Circular. We have extracted below the relevant paragraphs as follows:

“3.2 Rationale for the Revised IPT Mandate and benefits to Shareholders

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

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

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

The Company believes that the Revised IPT Mandate will enable Zhongxin Group additional flexibility to tap on the financial support from the SDICZL Interested Persons as and when the need arises.

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

The Revised IPT Mandate seeks to clarify the Existing IPT Mandate. Please refer to paragraph 3.4.1 for further details.

The Proposed Provision of Treasury Services by SDICF or another SDICZL Interested Person to Zhongxin Group

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

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SDICZL Interested Person for which Zhongxin Group will receive interest from SDICF or another SDICZL Interested Person on such amounts.

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

The Proposed Sale of Products of Zhongxin Group to SDICZL Interested Persons

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

The Proposed Appointment of any SDICZL Interested Person(s) as Distributor(s) of Zhongxin Group

Zhongxin Group has appointed SDICZL Interested Persons as non-exclusive distributors under the Existing IPT Mandate, and Zhongxin Group shall continue to rely on the sales networks of SDICZL Interested Person(s) as Zhongxin Group currently does not have the resources to establish a sizeable sales and distribution team. The appointment of interested SDICZL Interested Person(s) as non-exclusive distributor(s) is also extended to cover the distribution of our products under the Proposed Diversification.

As the aggregate transaction value of the above SDICZL Interested Person Transactions may exceed 5% of Zhongxin Group's latest audited net tangible assets, the Company is proposing to table the resolution in respect of the proposed revision and adoption of the Revised IPT Mandate for approval by Shareholders at the Extraordinary General Meeting.

The Revised IPT Mandate and the renewal thereof on an annual basis is intended to facilitate the SDICZL Interested Person Transactions which are likely to be transacted with some frequency from time to time, provided that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. Please refer to Appendix B of this Circular for information on methods and procedures put in place to ensure the above SDICZL Interested Person Transactions, if carried out, are on normal commercial terms and not prejudicial to Company and minority Shareholders."

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4. ENTITIES AT RISK

For the purposes of the Revised IPT Mandate, the entities at risk are the entities within the Zhongxin Group, comprising the Company, two wholly-owned subsidiaries, namely Yuncheng Zhongxin and Xuzhou Zhongxin, and a 50%-owned joint venture, namely Linyi SDICZL.

5. SDICZL INTERESTED PERSONS

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

As at the 23 September 2020, SDICZL owns 560,598,425 Shares representing 53.11% of the total issued Shares.

Please refer to **Appendix A** to the Circular for the list of SDICZL Interested Persons.

6. INTERESTED PERSONS TRANSACTIONS COVERED UNDER THE REVISED IPT MANDATE

The Revised IPT Mandate will cover the following transactions:

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

Please refer to **Appendix B** to the Circular for further details on the SDICZL Interested Person Transactions

7. APPROVAL, REVIEW AND GENERAL ADMINISTRATIVE PROCEDURES FOR THE SDICZL INTERESTED PERSON TRANSACTIONS

Please refer to **Appendix B** to the Circular for details on the approval, review and general administrative procedures for the SDICZL Interested Person Transactions.

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8. DISCLOSURES

The Company will announce the aggregate value of transactions conducted with the SDICZL Interested Persons pursuant to the Revised IPT Mandate for each financial period, as required under the Catalist Rules.

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

9 ABSTENTION FROM VOTING

SDICZL will abstain and have undertaken to ensure that its associates will abstain from voting on the Ordinary Resolution 2 relating to the proposed revision and adoption of the Revised IPT Mandate as set out in the Notice of EGM. SDICZL and its associates will also not accept appointments as proxies unless specific instructions as to voting are given. As Ms. Quan Yuhong and Mr. Xiaoyao are nominated by SDICZL, both of them will not accept nominations to act as proxy, corporate representative or attorney to vote in respect of Ordinary Resolution 2 unless the Shareholder appointing him or her indicates clearly how votes are to be cast in respect of Ordinary Resolution 2.

10. OPINION

In arriving at our opinion in relation to the Revised IPT Mandate, we have considered, *inter alia*, the rationales and benefits of the Revised IPT Mandate, the approval, review and general administrative procedures for the SDICZL Interested Person Transactions, the roles of the Chief Financial Officer, Chief Executive Officer, and the Audit Committee in carrying out the approval and review procedures for the Revised IPT Mandate, as well as the views and representations of the Directors and management of the Company, which we deem to have significant relevance to our assessment.

Having regard to the considerations set out in this IFA Letter and the information made available to us as at the Latest Practicable Date, we are of the opinion that the approval and review procedures for the Revised IPT Mandate as set out in **Appendix B** to the Circular, if adhered to and applied consistently, are sufficient to ensure that the SDICZL Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

This IFA Letter has been prepared pursuant to Rule 920(1)(b)(v) of the Catalist Rules, and it is also for the use of the Independent Directors in their consideration of the Revised IPT Mandate. The recommendation made by the Independent Directors to the Shareholders in relation to the Revised IPT Mandate shall remain the sole responsibility of the Independent Directors. Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of CICF in each specific case, other than for the purposes of the EGM and the Revised IPT Mandate.

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This IFA Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
CEL IMPETUS CORPORATE FINANCE PTE. LTD.

NG BOON ENG
CHIEF EXECUTIVE OFFICER

FOO JIEN JIENG
DIRECTOR, CORPORATE FINANCE

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Extraordinary General Meeting (the “**EGM**”) of Zhongxin Fruit and Juice Limited (the “**Company**”) will be held on Wednesday, 30 October 2020 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting to be held at 10.00 a.m. on the same day) by electronic means to transact the following business:

ORDINARY RESOLUTION 1: THE PROPOSED DIVERSIFICATION OF THE BUSINESS OF ZHONGXIN GROUP TO INCLUDE THE PROCESSING AND DISTRIBUTION OF AGRICULTURE PRODUCTS

- (a) approval be and is hereby given for the diversification by the Company and its subsidiaries of its core business to include the processing and distribution of agriculture products that involves activities described in paragraph 2 of the Company’s Circular to the Shareholders dated 15 October 2020 (the “**Circular**”) and any other activities related to the processing and distribution of agriculture products.
- (b) the Directors and any of them be and are hereby authorised to complete and do all such acts and things (including approving, amending, modifying, supplementing and executing and delivering such documents and affixing common seal of the Company to any such documents, if necessary), as they or any of them may in their absolute discretion deem expedient, desirable or necessary or in the interest of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

ORDINARY RESOLUTION 2: THE PROPOSED REVISION AND ADOPTION OF THE REVISED GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

- (a) approval be and is hereby given for the revision and adoption of the Shareholders’ Mandate, for the purposes of Chapter 9 of the Catalist Rules, for the Company, its subsidiaries that are entities at risk (as that term is used in Chapter 9 of the Catalist Rules) or any of them, to enter into any of the transactions falling within the types of the interested person transactions as set out in the Circular with SDICZL Interested Persons (as defined in the Circular), provided that such transactions are made on commercial terms and not prejudicial to the interest of the Company or its minority shareholders and in accordance with the review procedures for such interested person transactions;
- (b) the approval given in sub-paragraph (a) above (the “**IPT Mandate**”) shall unless revoked or varied by the Company in general meeting, continue in force until the next annual general meeting of the Company;
- (c) the Directors and any of them be and are hereby authorised to complete and do all such acts and things (including approving, amending, modifying, supplementing and executing and delivering such documents and affixing common seal of the Company to any such documents, if necessary), as they or any of them may in their absolute discretion deem expedient, desirable or necessary or in the interest of the Company to give effect to the transactions contemplated and/or authorised by the IPT Mandate and/or this Resolution.

By Order of the Board

Lee Wei Hsiung
Company Secretary
15 October 2020
Singapore

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

On 3 April 2020, the Singapore Government announced the implementation of “circuit breaker” measures (enhanced safe distancing measures and closure of non-essential workplace premises) to curb the further spread of COVID-19. The COVID-19 (Temporary Measures) Act 2020 (the “**Temporary Measures Act**”) was passed by Parliament on 7 April 2020 and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the “**Meetings Orders**”) was issued by the Minister for Law on 13 April 2020, and subsequently updated on 29 September 2020 which provide, among others, legal certainty to enable issuers to make alternative arrangements to hold general meetings where personal attendance is required under written law or legal instruments (such as a company’s constitution).

A joint statement was also issued on 13 April 2020, and subsequently updated on 27 April 2020, 22 June 2020 and 1 October 2020, by the Accounting and Corporate Regulatory Authority, the Monetary Authority of Singapore and the Singapore Exchange Regulation providing guidance for listed and non-listed entities on the manner in which general meetings are to be conducted during the period when elevated safe distancing measures are in place. The Meetings Orders currently apply for the period starting on 27 March 2020 and ending on 30 June 2021.

Printed copies of this notice and the accompanying Circular and Proxy Form will NOT be sent to members. Instead, these documents will be sent to members solely by electronic means via publication on the SGXNet at <https://www.sgx.com/securities/company-announcements>.

Alternative arrangements relating to members’ participation at the EGM are:

- (a) observing and/or listening to the EGM proceedings through live audio-visual webcast;
- (b) submitting questions in advance of the EGM; and/or
- (c) appointing the Chairman of the EGM as proxy to attend, speak and vote on their behalf at the EGM.

Members will be able to participate in the EGM in following manner set out in the paragraphs below.

Live EGM Webcast and Live EGM Audio Feed:

In light of the above developments, the Company is arranging for the Live EGM Webcast and the Live EGM Audio Feed which will take place on 30 October 2020 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m.) in place of the physical EGM. Members will be able to watch or listen to the EGM proceedings through the Live EGM Webcast or the Live EGM Audio Feed via mobile phone, tablet, computer or any such electronic device. The Company will not accept any physical attendance by members. Any member seeking to attend the EGM physically in person will be turned away.

In order to do so, members must pre-register online at the <http://smartagm.sg/zxfjagm2020> from now till 28 October 2020, 10.30 a.m. to enable the verification of members’ status.

Following the verification and upon the closure of pre-registration, authenticated members will receive email, which will contain the login instructions, password as well as the link to access the live audio-visual webcast of the EGM proceedings, by 29 October 2020, 12 noon.

Members are reminded that the EGM proceedings are private. Accordingly, members must not forward the abovementioned email instructions to other persons who are not members and who are not entitled to attend the EGM. This is also to avoid any technical disruptions or overload to the Live EGM Webcast and the Live EGM Audio Feed.

Members who do not receive an email by 29 October 2020, 12 noon, but have registered by 28 October 2020 deadline should contact Boardroom Corporate & Advisory Services Pte. Ltd. at +65 6536 5355 or via email to bcasmeetings@boardroomlimited.com.

Persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act), including investors who buy shares using SRS monies (“SRS Investors”), and who wish to participate in the EGM should, in addition to pre-registering online, contact their respective relevant intermediaries (which would include SRS Operators) through which they hold such shares as soon as possible in order for the necessary arrangements to be made for their participation in the EGM.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Submission of Questions in Advance:

Please note that members will not be able to raise questions at the EGM during the Live EGM Webcast or the Live EGM Audio Feed, and therefore it is important for members to pre-register their participation in order to be able to submit their questions in advance of the EGM.

Members (including CPF and SRS investors) may also submit questions related to the resolutions to be tabled for approval at the EGM to the Chairman of the EGM, in advance of the EGM. In order to do so, their questions must be submitted in the following manner by 28 October 2020, 10.30 a.m.:

- (a) if submitted electronically, be submitted via the Company's pre-registration website at <http://smartagm.sg/zxfjagm2020>; or
- (b) if submitted by post, be deposited at the registered office of the Company at 25 International Business Park, #02-53 German Centre, Singapore 609916.

Members (including CPF and SRS investors) who submit questions via electronic or by post to the Company must provide the following information:

- (a) the member's full name;
- (b) NRIC/Passport Number/Company Registration No. (last 4 digits);
- (c) the member's address; and
- (d) the manner in which the member holds Shares in the Company (e.g., via CDP, scrip, CPF or SRS).

Persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act), including SRS Investors, can also submit their questions related to the resolutions to be tabled for approval at the EGM based on the abovementioned instructions.

The Company will endeavour to address the substantial and relevant questions before or during the EGM. The responses to questions from members will be posted on the SGXNET and the Company's website soonest possible before the EGM, or if answered during the EGM, to be included in the minutes of the EGM which will be published on the SGXNET and the Company's website within 1 month after the date of the EGM.

Submission of Proxy Forms to Vote:

Members will not be able to vote online or through the Live EGM Webcast or the Live EGM Audio Feed on the Ordinary Resolutions to be tabled for approval at the EGM. Members who wish to exercise their votes must submit a Proxy Form to appoint the Chairman of the EGM to cast votes on their behalf.

Members (whether individual or corporate) appointing the Chairman of the EGM as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in the Proxy Form, failing which the appointment will be treated as invalid.

The Chairman of the EGM, as proxy, need not be a member of the Company.

The instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.

The Proxy Form, duly executed together with the power of attorney or other authority, if any, under which the instrument of proxy is signed or duly certified copy of that power of attorney or other authority (failing previous registration with the Company), must be submitted:

- (a) by post to the registered office of the Company at 25 International Business Park, #02-53 German Centre, Singapore 609916;
- (b) by email to admin@zhongxinfj.com.

in each case, not less than 48 hours before the time appointed for holding the EGM, i.e. by 10.30 a.m. on 28 October 2020. A member who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

NOTICE OF EXTRAORDINARY GENERAL MEETING

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms by post, members are strongly encouraged to submit completed Proxy Forms electronically via email.

Members who hold shares through relevant intermediaries, and who wish to participate in the EGM by:

- (a) observing and/or listening to the EGM proceedings through live audio-visual webcast;
- (b) submitting questions in advance of the EGM; and/or
- (c) appointing the Chairman of the EGM as proxy to attend, speak and vote on their behalf at the EGM, should contact the relevant intermediary which they hold such shares as soon as possible in order to make the necessary arrangements for them to participate in the EGM.

In addition, CPF and SRS investors who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 20 October 2020, 5.00 p.m., being 7 working days before the date of the EGM.

“Relevant intermediary” has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50:

- (a) a banking corporation licensed under the Banking Act (Cap. 19) or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;
- (b) a capital markets services licence holder which provides custodial services for securities under the Securities and Futures Act (Cap. 289) and holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

The Company shall be entitled to reject the instrument appointing the Chairman of the EGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the EGM as proxy (such as in the case where the appointor submits more than one instrument of proxy).

A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time appointed for holding the EGM in order for the Depositor to be entitled to attend and vote at the EGM.

IMPORTANT NOTICE:

Due to the evolving COVID-19 situation in Singapore, the Company may change the EGM arrangements at short notice. The Company will announce any changes to the holding or conduct of the EGM via the SGXNET. Members are advised to check the SGXNET regularly for updates on the EGM.

The Company wishes to thank all shareholders for their patience and co-operation in enabling the Company to hold the EGM with the optimum safe distancing measures amidst the current COVID-19 pandemic.

PERSONAL DATA PRIVACY

By (a) submitting a proxy form appointing the Chairman of the EGM as proxy to attend, speak and vote at the EGM and/or any adjournment thereof, (b) submitting any questions prior to the EGM or (c) submitting the pre-registration form in accordance with this Notice, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxy forms appointing the Chairman of the EGM as proxy for the EGM (including any adjournment thereof); processing the pre-registration forms for purposes of granting access to members for the Live Webcast or Live Audio Stream and providing viewers with any technical assistance, when necessary; addressing substantial and relevant questions from members received in advance of the EGM; the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines, and (ii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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ZHONGXIN FRUIT AND JUICE LIMITED

(Incorporated in Singapore)
Company Registration Number 200208395H

EXTRAORDINARY GENERAL MEETING PROXY FORM

IMPORTANT

1. The Extraordinary General Meeting ("EGM") is being convened, and will be held, by way of electronic means pursuant to the Covid-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (as amended from time to time).
2. Alternative arrangements relating to attendance at the EGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast), submission of questions to the Chairman of the EGM in advance of the EGM, addressing of substantial and relevant questions at the EGM and voting by appointing the Chairman of the EGM as proxy at the EGM, are set out in the Notice of EGM. The announcement and this proxy form may also be accessed at the <https://www.sgx.com/securities/company-announcements>.
3. Due to the current Covid-19 restriction orders in Singapore, members will not be able to attend the EGM in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM.
4. If a CPF or SRS investor wishes to appoint the Chairman of the EGM as proxy, he/she should approach their respective CPF Agent Banks or SRS Operators to submit his/her votes by 20 October 2020, 5.00 p.m., being 7 working days before the date of the EGM.
5. Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the EGM as a member's proxy to attend, speak and vote on his/her/its behalf at the EGM.

I/We, _____ (name) _____ (NRIC/Passport/Company Registration No.)

of _____ (address)
being a member/members of Zhongxin Fruit and Juice Limited (the "**Company**"), hereby appoint Chairman of the Extraordinary General Meeting (the "**EGM**") as my/our proxy to attend and vote for me/us on my/our behalf at the EGM of the Company to be held **via electronic means on Wednesday, 30 October 2020 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting to be held at 10.00 a.m. on the same day)** and at any adjournment thereof.

I/We direct the Chairman of the EGM to vote for, against or abstain from voting the resolutions proposed at the EGM as indicated hereunder. In appointing the Chairman of the EGM as proxy, a member must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.

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

No.	Resolutions	For	Against	Abstain
SPECIAL BUSINESS				
1.	Proposed diversification of the business of Zhongxin Group to include the processing and distribution of agriculture products.			
2.	Proposed revision and adoption of the revised general mandate for interest person transactions.			

Dated this _____ day of _____, 2020

Total Number of Shares Held

Signature(s) of member(s) or
Common Seal of corporate member

IMPORTANT: Please read notes overleaf

Notes:

1. Due to the current Covid-19 restriction orders in Singapore, members will not be able to attend the EGM in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM. In appointing the Chairman of the EGM as proxy, a member must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.
2. Members who hold shares through relevant intermediaries, and who wish to participate in the EGM by:-
 - (a) observing and/or listening to the EGM proceedings through live audio-visual webcast;
 - (b) submitting questions in advance of EGM; and/or
 - (c) appointing the Chairman of the EGM as proxy to attend, speak and vote on their behalf at the EGM, should contact the relevant intermediary through which they hold such shares as soon as possible in order to make the necessary arrangements for them to participate in the EGM.

In addition, CPF and SRS investors who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 20 October 2020, 5.00 p.m., being 7 working days before the date of the EGM.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50:

 - (a) a banking corporation licensed under the Banking Act (Cap. 19) or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;
 - (b) a capital markets services licence holder which provides custodial services for securities under the Securities and Futures Act (Cap. 289) and holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
3. The Chairman of the EGM, as proxy, need not be a member of the Company.

Fold along this line

Affix
Postage
Stamp Here

The Company Secretary
ZHONGXIN FRUIT AND JUICE LIMITED
25 International Business Park
#02-53 German Centre
Singapore 609916

Fold along this line

4. The instrument appointing the Chairman of the EGM as proxy must be signed by the appointor or of his duly authorised attorney or if the appointor is a corporation, it must be executed under its common seal or signed by its attorney or officer duly authorised.
5. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register as well as shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
6. The Proxy Form must be submitted to in the following manner:-
 - (a) if submitted by post, be lodged at the registered office of the Company at 25 International Business Park, #02-53 German Centre, Singapore 609916; or
 - (b) if submitted electronically, be submitted via email to admin@zhongxinfr.com

in either case, by 28 October 2020, 10.30 a.m., being 48 hours before the time fixed for the EGM.

A member who wishes to submit a Proxy Form must complete and sign the Proxy Form, before submitting it by post to the address provided above, or before sending it by email to the email address provided above.
7. The Company shall be entitled to reject an instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company shall be entitled to reject any instrument appointing a proxy or proxies which has been lodged if such member, being the appointor, is not shown to have shares entered against his name in the Depository Register at least 72 hours before the time appointed for the EGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting this proxy form the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 15 October 2020.