

ZHONGXIN FRUIT AND JUICE LIMITED
AND ITS SUBSIDIARIES
(Company Registration Number: 200208395H)

Unaudited Condensed Interim Financial Statements
For the Six Months ended 31 December 2024

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ZHONGXIN FRUIT AND JUICE LIMITED(Incorporated in Singapore)
(Co. Reg. No. 200208395H)**A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Note	Group		Increase / (Decrease) %
		6 months ended		
		31 Dec 2024	31 Dec 2023	
		RMB'000	RMB'000	
Revenue	4	168,145	58,442	187.7%
Cost of sales		(140,684)	(47,704)	194.9%
Gross profit		27,461	10,738	155.7%
<u>Other income:</u>				
Other operating income		2,094	1,185	76.7%
<u>Operating expenses:</u>				
Distribution expenses		(5,443)	(3,753)	45.0%
Administrative expenses		(3,004)	(3,212)	(6.5%)
Finance costs		(1,828)	(1,185)	54.3%
Share of profit / (loss) from equity accounted joint venture		2,815	(163)	n.m.
Profit before income tax	6	22,095	3,610	n.m.
Income tax	7	(339)	(720)	(52.9%)
Profit for the period		21,756	2,890	n.m.
Other comprehensive income for the period, net of tax		-	-	
Total comprehensive income for the period attributable to owners of the Company		21,756	2,890	n.m.
Earnings per share for earnings attributable to owners of the Company (RMB cents):				
- Basic	9	2.06	0.27	
- Diluted	9	2.06	0.27	

n.m. - not meaningful

ZHONGXIN FRUIT AND JUICE LIMITED(Incorporated in Singapore)
(Co. Reg. No. 200208395H)**B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**

	Note	Group		Company	
		As at		As at	
		31 Dec 2024	30 June 2024	31 Dec 2024	30 June 2024
		RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Non-Current Assets					
Investment in joint venture		14,186	11,371	6,347	6,347
Investment in subsidiaries		-	-	19,473	19,473
Property, plant and equipment	11	39,826	39,715	1	1
Right of use assets		6,040	6,133	-	-
		<u>60,052</u>	<u>57,219</u>	<u>25,821</u>	<u>25,821</u>
Current Assets					
Cash and cash equivalents		1,239	31,362	53	1,851
Notes receivables	12	80,000	10,000	-	-
Trade receivables	13	91,223	32,156	-	-
Other receivables	14	1,821	484	-	-
Receivable from subsidiaries		-	-	23,440	20,440
Receivable from related parties		-	7	-	-
Prepayments		36	2,213	-	-
Inventories		96,803	105,120	-	-
		<u>271,122</u>	<u>181,342</u>	<u>23,493</u>	<u>22,291</u>
Total Assets		331,174	238,561	49,314	48,112
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	15	252,093	252,093	252,093	252,093
Contributed surplus		22,000	22,000	-	-
Statutory and other reserves		10,637	10,637	-	-
Accumulated losses		(125,913)	(147,669)	(202,908)	(205,343)
Equity attributable to owners of the Company		158,817	137,061	49,185	46,750
Non-Current Liability					
Deferred capital grant		197	200	-	-
Current Liabilities					
Trade and other payables	16	4,774	5,903	129	1,362
Payable to immediate holding company	17	58,173	56,341	-	-
Borrowings	18	108,874	39,056	-	-
Provision for taxation		339	-	-	-
		<u>172,160</u>	<u>101,300</u>	<u>129</u>	<u>1,362</u>
Total Liabilities		172,357	101,500	129	1,362
Total Equity and Liabilities		331,174	238,561	49,314	48,112

ZHONGXIN FRUIT AND JUICE LIMITED(Incorporated in Singapore)
(Co. Reg. No. 200208395H)**C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

	Equity attributable to owners of the Company				
	Share Capital RMB'000	Contributed Surplus RMB'000	Statutory and Other Reserves RMB'000	Accumulated Losses RMB'000	Total RMB'000
Group					
Current Year:					
Balance as at 1 July 2024	252,093	22,000	10,637	(147,669)	137,061
Profit for the period, representing total comprehensive income for the financial period	-	-	-	21,756	21,756
Balance as at 31 Dec 2024	252,093	22,000	10,637	(125,913)	158,817
Previous Year:					
Balance as at 1 July 2023	252,093	22,000	10,637	(149,964)	134,766
Profit for the period, representing total comprehensive income for the financial period	-	-	-	2,890	2,890
Balance as at 31 Dec 2023	252,093	22,000	10,637	(147,074)	137,656
Company					
Current Year:					
Balance as at 1 July 2024	252,093	-	-	(205,343)	46,750
Profit for the period, representing total comprehensive income for the financial period	-	-	-	2,435	2,435
Balance as at 31 Dec 2024	252,093	-	-	(202,908)	49,185
Previous Year:					
Balance as at 1 July 2023	252,093	-	-	(206,685)	45,408
Profit for the period, representing total comprehensive income for the financial period	-	-	-	3,180	3,180
Balance as at 31 Dec 2023	252,093	-	-	(203,505)	48,588

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D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	6 months ended	
	31 Dec 2024	31 Dec 2023
	RMB'000	RMB'000
Operating activities		
Profit before income tax	22,095	3,610
Adjustments for :		
Amortisation of deferred capital grant	(3)	(3)
Amortisation of right of use assets	93	93
Depreciation of property, plant and equipment	494	494
(Gain) / Loss on disposal of property, plant and equipment	(1)	79
Share of (profit) / loss from equity accounted joint venture	(2,815)	163
Interest expense	1,824	1,163
Interest income	(2,007)	(901)
Write-back of allowance for impairment loss	(50)	(80)
Operating cash flows before working capital changes	19,630	4,618
Inventories	10,061	(85,328)
Notes receivables	(70,000)	-
Trade and other receivables	790	241
Receivable from immediate holding company	(58,967)	63,421
Trade and other payables	(1,129)	(5,036)
Cash flows for operations	(99,615)	(22,084)
Interest received	2,007	901
Income tax paid	-	(200)
Net cash used in operating activities	(97,608)	(21,383)
Investing activities		
Purchase of property, plant and equipment	(2,368)	(414)
Proceeds from disposal of property, plant and equipment	20	4
Net cash used in investing activities	(2,348)	(410)
Financing activities		
Advances from immediate holding company	1,832	1,422
Repayment from a related party	7	20
Proceeds from borrowings	79,726	19,784
Repayments of borrowings	(9,908)	(9,872)
Interest paid	(1,824)	(1,163)
Net cash generated from financing activities	69,833	10,191
Net decrease in cash and cash equivalents	(30,123)	(11,602)
Cash and cash equivalents at beginning of the financial period	31,362	14,403
Effect of exchange rate changes on the balance of cash and cash equivalents in foreign currency	-	1
Cash and cash equivalents at end of the financial period	1,239	2,802

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E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Zhongxin Fruit and Juice Limited (“the Company”) is a public limited liability company incorporated and domiciled in Singapore and whose shares are publicly traded on the Catalist of the Singapore Exchange Securities Trading Limited. The immediate holding company is SDIC Zhonglu Fruit Juice Co., Ltd (“SDICZL”) which is incorporated in the People’s Republic of China (“PRC”) and listed on the Shanghai Stock Exchange. The Company’s ultimate holding company is State Development and Investment Corporation (“SDIC”), a state-owned enterprise in PRC.

These condensed interim consolidated financial statements as at and for the six months ended 31 December 2024 comprise the Company and its subsidiaries (collectively, “the Group”).

The principal activity of the Company is that of investment holding. The principal activity of the subsidiaries is production of fruit juice concentrate.

2. Basis of Preparation

The condensed interim financial statements for the six months ended 31 December 2024 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Committee. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the financial year ended 30 June 2024.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Chinese Renminbi, which is the Group’s and the Company’s functional currency. All financial information presented in Chinese Renminbi has been rounded to the nearest thousand (RMB’000), unless otherwise indicated.

2.1. New and amended standards adopted by the Group

The Group has adopted all the applicable new and revised SFRS(I) and the related interpretations of SFRS(I) (“INT SFRS(I)”) that are effective for the current financial period. The adoption of the new / revised SFRS(I) and INT SFRS(I) did not result in any substantial changes to the Group’s and the Company’s accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2.2. Critical accounting estimates, assumptions and judgements

In the application of the Group’s accounting policies, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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2. Basis of Preparation (cont'd)

2.2. Critical accounting estimates, assumptions and judgements (cont'd)

Critical judgements in applying the accounting policies

In the preparation of the financial statements, management is of the opinion that there were no critical judgements and significant assumptions made in the process of applying the Group's accounting policies that have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

a) Allowance for expected credit losses ("ECLs") of trade receivables and notes receivables

For trade receivables, the Group determines the ECL by using the individual (debtor-by-debtor) basis as at the reporting date in view that there were only 2 trade debtors (30 June 2024: 1 trade debtor) and the trade amount due from the immediate holding company constituted 99.9% (30 June 2024: 100%) of the Group's trade receivables as at that date. For notes receivables, the notes receivables are considered to have a low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition.

For trade receivables, there is estimation used in the measurement of lifetime expected credit losses and forward-looking assumptions. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. For notes receivables, the loss allowance is measured at an amount equal to 12-month ECL which reflects the low credit risk of the exposures.

The carrying amount of the Group's trade receivables and notes receivables at the reporting date were RMB91,223,000 and RMB80,000,000 respectively (30 June 2024: RMB32,156,000 and RMB10,000,000 respectively).

b) Useful lives of property, plant and equipment

The estimates for the useful lives and related depreciation charges for property, plant and equipment is based on commercial and production factors which could change significantly as a result of technical innovations and competitor actions in response to severe market conditions. The depreciation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technical obsolescence or nonstrategic assets that have been abandoned or sold.

Management estimates the useful lives of property, plant and equipment to be within 3 to 40 years. The carrying amount of the Group's property, plant and equipment at the reporting date is RMB39,826,000 (30 June 2024: RMB39,715,000). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets. Therefore, future depreciation charges could be revised.

c) Allowances for inventory obsolescence

Management carries out an inventory review at the end of each reporting period to determine any need for allowance for inventory obsolescence. Management estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. In the event of significant changes to the current market conditions, possible changes in these estimates could result in revisions to the carrying amount of the inventories. The carrying amount of the inventories at the end of the reporting period is RMB96,803,000 (30 June 2024: RMB105,120,000).

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2. Basis of Preparation (cont'd)

2.2. Critical accounting estimates, assumptions and judgements (cont'd)

Key sources of estimation uncertainty (cont'd)

d) Income taxes

The Group has exposure to income taxes in PRC jurisdictions. Significant judgement and estimation process is involved in determining the Group's provision for income taxes. There are certain transactions and computations for which the determination of ultimate tax is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax computation in the financial year in which such determination is made.

The carrying amount of income tax liabilities at the end of the reporting period was RMB339,000 (30 June 2024: Nil).

e) Impairment of idle property, plant and equipment ("PPE")

Property, plant and equipment are assessed for impairment whenever there is indication that the assets may be impaired. If any such indication exists, an impairment assessment will be performed accordingly. The recoverable amount of the assets is assessed as the higher of fair value less costs of disposal and value in use.

On 19 June 2024, Xuzhou Zhongxin received a preliminary relocation notice from a PRC government agency. Negotiations on the compensation for the requisition of building and land have yet to commence. The net book value of the affected building and land as at 31 December 2024 amounted to approximately RMB17.4 million. Due to lack of visibility on the impact of the relocation notice, no adjustments was made to the affected PPE.

The Group's PPE also included certain production machinery of Xuzhou Zhongxin which were idle as Xuzhou Zhongxin had ceased its production of concentrated apple juice since prior years. As at 31 December 2024, the carrying amount of these idle production machinery amounted to RMB2.60 million (30 June 2024: RMB2.72 million). In evaluating if the idle production machinery of Xuzhou Zhongxin should be subject to further impairment for the current reporting period, the Management assessed that it was reasonable to refer to the valuation report of the idle production machinery that was prepared for the purpose of impairment assessment in the financial year 2023 financial reporting.

For the purpose of financial year 2023 financial reporting, the Group engaged an independent valuer to determine the fair value of the idle production machinery at the reporting date. The fair value was determined using the Replacement Cost Approach, which is based on an estimate of the market value for the existing use of the production machinery, plus the current cost of replacement less deduction for physical deterioration and all relevant forms of obsolescence and optimisation. Management has made a judgement this year that the fair value will not differ significantly from the valuation report.

As at the end of reporting period, no further allowance for impairment loss of Xuzhou Zhongxin's idle production machinery was recognised as the recoverable amounts, based on fair value less costs of disposal, were determined to be higher than the respective carrying amounts at the reporting date.

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3. Seasonal Operations

The fruit juice industry is cyclical in nature as raw materials such as apples and pears are in season during the second half of the calendar year (i.e. the first half of the Group's financial year). To ensure the freshness of the ingredients, generally, the Group procures the raw materials and produces the fruit juice during the first half of the financial year for its full year's supply.

The sales of the Group are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and Revenue Information

Revenue represents the value of the goods sold to customers, net of sales discount and returns. It includes sales of fruit juice concentrate to immediate holding company and related parties as disclosed in Note 6.2.

a) Business segment

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

b) Geographical information

There is no breakdown by geographical markets of revenue and non-current assets information as the Group's operations and customers were predominantly based in the PRC.

c) Disaggregation of revenue from contracts with customers

	Group	
	6 months ended	
	31 Dec 2024	31 Dec 2023
	RMB'000	RMB'000
<u>Revenue</u>		
<i>Fruit juice production:</i>		
Concentrated apple juice	109,187	46,473
Concentrated pear juice	3,785	2,646
Concentrated peach juice	9	-
Apple essence	423	77
Fructose	54,176	8,361
Fruit pomace	565	885
	168,145	58,442
Timing of transfer of goods or service:		
At a point in time	168,145	58,442

ZHONGXIN FRUIT AND JUICE LIMITED(Incorporated in Singapore)
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Set out below is an overview of the financial assets and financial liabilities of the Group and of the Company as at 31 December 2024 and 30 June 2024:

	Group		Company	
	As at 31 December 2024	As at 30 June 2024	As at 31 December 2024	As at 30 June 2024
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
Loans and receivables				
Cash and cash equivalents	1,239	31,362	53	1,851
Notes receivables	80,000	10,000	-	-
Trade receivables	91,223	32,156	-	-
Other receivables	1,821	484	-	-
Receivable from subsidiaries	-	-	23,440	20,440
Receivable from related parties	-	7	-	-
Financial liabilities at amortised cost				
Trade and other payables	4,774	5,903	129	1,362
Payable to immediate holding company	58,173	56,341	-	-
Borrowings	108,874	39,056	-	-

6. Profit Before Income Tax**6.1. Significant Items**

	Group	
	31 Dec 2024	31 Dec 2023
	RMB'000	RMB'000
Income		
Amortisation of deferred capital grant	(3)	(3)
Foreign exchange (gain) / loss	(11)	18
(Gain) / Loss on disposal of property, plant and equipment	(1)	79
Interest income	(2,007)	(901)
Write-back of allowance for impairment loss	(50)	(80)
Expenses		
Amortisation of right of use assets	93	93
Depreciation of property, plant and equipment	494	494
Interest expense	1,824	1,163

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6. Profit Before Income Tax (cont'd)

6.2. Related Party Transactions

In addition to the related party information disclosed elsewhere in the condensed interim financial statements, the Group entered into the following significant transactions with related parties that took place at terms agreed between the parties during the financial period:

	Group	
	6 months ended	
	31 Dec 2024	31 Dec 2023
	RMB'000	RMB'000
<u>The Group</u>		
Sales to SDICZL and its group of companies	167,560	54,406
Purchases from SDICZL and its group of companies	27	172
Payment to a related party for lease of certain storage facility	89	-
Interest paid with respect to loans and advances provided by SDICZL	1,002	822
Interest received from SDICZL with respect to the interest charged on the outstanding trade receivable due from SDICZL	2,002	885
<u>Joint venture of the Group</u>		
Sales to SDICZL and its group of companies*	52,775	21,615
Purchases from SDICZL and its group of companies*	3	-
Payment to a related party for lease of certain storage facility*	17	13
Interest paid with respect to loans and advances provided by SDICZL*	174	463

* Based on the effective equity interest of the Group in the joint venture of 50%.

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	6 months ended	
	31 Dec 2024	31 Dec 2023
	RMB'000	RMB'000
Current income tax		
- for the financial period	339	720

8. Dividends

There is no dividend declared for the 6 months ended 31 December 2024.

9. Earnings per Share

Earnings per ordinary shares of the Group for the period based on profit after income tax :	Group	
	6 months ended	
	31 Dec 2024	31 Dec 2023
	RMB'000	RMB'000
(a) Based on the weighted average number of ordinary shares in issue (basic) (RMB cents)	2.06	0.27
(b) On a fully diluted basis (RMB cents)	2.06	0.27
Weighted average number of ordinary shares in issue	1,055,459,201	1,055,459,201

The basic and fully diluted earnings per share were the same as there were no potentially dilutive ordinary shares in issue as at 31 December 2024 and 31 December 2023.

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10. Net Asset Value

	Group		Company	
	As at 31 Dec 2024	As at 30 June 2024	As at 31 Dec 2024	As at 30 June 2024
Net assets value per ordinary share based on total number of issued shares excluding treasury shares (RMB cents)	15.05	12.99	4.66	4.43

The net asset value per ordinary share for the Group and Company is calculated based on the issued share capital of 1,055,459,201 ordinary shares as at 31 December 2024 and 30 June 2024.

11. Property, Plant and Equipment

During the six months ended 31 December 2024, the Group acquired assets amounting to approximately RMB2,368,000 (31 December 2023: RMB 414,000).

During the six months ended 31 December 2024, the Group disposed off assets amounting to the net book value of approximately RMB19,000 (31 December 2023: RMB83,000).

In June 2024, Xuzhou Zhongxin received a preliminary relocation notice from a PRC government agency. Negotiations on the compensation for the requisition of building and land have yet to commence. The net book value of the affected building and land as at 31 December 2024 amounted to approximately RMB17.4 million. Given the complexity and multi-steps nature of the process, there remain uncertainties regarding the potential for mutual agreement, the determination of the compensation amount as well as the timeline for finalising the compensation agreement. Due to the uncertainty of the negotiation, no adjustments have been made to the financial statements of the Group.

12. Notes Receivables

	Group	
	As at 31 December 2024 RMB'000	As at 30 June 2024 RMB'000
Current:		
Notes receivables	80,000	10,000

The notes receivables bear interest ranging from 1.60% to 2.34% (30 June 2024: 2.85%) per annum and mature in November 2025 (30 June 2024: mature in October 2024).

The notes receivables as at 31 December 2024 and 30 June 2024 represent the promissory notes issued by SDICZL in favour of the Group as consideration for trade purchases and the partial settlement of trade receivables owing by SDICZL to the Group. In turn, the Group has endorsed these promissory notes in favour of financial institutions to obtain working capital financing for the Group.

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13. Trade Receivables

	Group	
	As at 31 December 2024 RMB'000	As at 30 June 2024 RMB'000
Trade receivables		
- immediate holding company	91,123	32,156
- third party	100	-
	91,223	32,156

Trade receivables from immediate holding company are unsecured, bear interest at 3.45% per annum (30 June 2024: 3.65%) and generally on 60 days terms. Trade receivables from third party are unsecured, non-interest bearing and are generally on 30 to 60 days terms.

The Group determines the ECL of trade receivables by using the individual (debtor-by-debtor) basis at the reporting date in view that there were only 2 trade debtors and the trade amounts due from the immediate holding company constituted 99.9% (30 June 2024: 100%) of the Group's trade receivables as at that date.

The Group's credit risk exposure in relation to trade receivables and amount due from immediate holding company (trade) from contracts with customers at the reporting date are set out in the provision matrix as presented below.

	← Past due (days) →				Total RMB'000
	Current RMB'000	1 - 90 days RMB'000	91 to 270 days RMB'000	> 270 days RMB'000	
<u>31 December 2024</u>					
Expected credit loss rate	*	*	*	*	
Trade receivables	100	-	-	-	100
Trade amounts due from immediate holding company	43,475	47,593	55	-	91,123
	43,575	47,593	55	-	91,223
Loss allowance - lifetime ECL	-	-	-	-	-
					91,223
<u>30 June 2024</u>					
Expected credit loss rate	*	*	*	*	
Trade receivables	-	-	-	-	-
Trade amounts due from immediate holding company	22,590	9,566	-	-	32,156
	22,590	9,566	-	-	32,156
Loss allowance - lifetime ECL	-	-	-	-	-
					32,156

* ECL rate considered insignificant.

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14. Other Receivables

	Group		Company	
	As at 31 December 2024 RMB'000	As at 30 June 2024 RMB'000	As at 31 December 2024 RMB'000	As at 30 June 2024 RMB'000
Other receivables:				
- Non-related parties ^(a)	2,036	2,016	-	-
Less: Allowance for impairment loss	(1,502)	(1,552)	-	-
Net other receivables	534	464	-	-
Value-added-tax ("VAT") receivable	1,287	20	-	-
	<u>1,821</u>	<u>484</u>	<u>-</u>	<u>-</u>

(a) Included in other receivables is an amount of RMB1,380,000 (30 June 2024: RMB1,430,000) that relates to Xuzhou Zhongxin's remaining balance of compensation for the dismantlement of land in 2015. The said amount has been fully impaired as it has been long outstanding.

The Group's other receivables that were impaired as at 31 December 2024 and 30 June 2024 and the movements of the allowance accounts used to record the impairment were as follows:

	Group	
	As at 31 December 2024 RMB'000	As at 30 June 2024 RMB'000
Movement in allowance for impairment loss:		
At 1 July	1,552	1,682
Writeback during the year	(50)	(130)
At 30 June	<u>1,502</u>	<u>1,552</u>

The net other receivables at the end of the reporting period were mainly represented as follow:

	Note	Group		Company	
		As at 31 December 2024 RMB'000	As at 30 June 2024 RMB'000	As at 31 December 2024 RMB'000	As at 30 June 2024 RMB'000
Advance payment for electricity charges	(a)	518	178	-	-
VAT receivable		1,287	20	-	-
Others	(b)	16	286	-	-
		<u>1,821</u>	<u>484</u>	<u>-</u>	<u>-</u>

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14. Other Receivables (cont'd)

Notes:

- (a) This relates to the advance payment of the electricity charges to the local authority.
- (b) Others mainly comprise of advance payments for insurance, training costs and contribution to national pension scheme / defined contribution plan.

Other receivables at the end of the reporting period were interest-free, unsecured and not past due.

The Board has assessed and is satisfied with the recoverability of the other receivables.

15. Share Capital

	Group and Company			
	As at 31 December 2024		As at 30 June 2024	
	No of shares	RMB'000	No of shares	RMB'000
Issued and fully paid:				
<u>Ordinary shares</u>				
At beginning and end of financial period/year	1,055,459,201	252,093	1,055,459,201	252,093

All issued shares are fully paid. The Company has one class of ordinary shares, which carry one vote per share without restriction. The holders of the ordinary shares are entitled to receive dividends as and when declared by the Company. The ordinary shares have no par value.

There was no change in the Company's issued share capital of 1,055,459,201 ordinary shares amounting to RMB252,093,405 from 30 June 2024 to 31 December 2024.

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

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

As at 31 December 2024, 30 June 2024 and 31 December 2023, there were no outstanding options, convertibles, treasury shares or subsidiary holdings in the Company.

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	Note	Group		Company	
		As at	As at	As at	As at
		31 December 2024	30 June 2024	31 December 2024	30 June 2024
		RMB'000	RMB'000	RMB'000	RMB'000
Trade payables:					
- Third parties	(a)	2,590	1,068	-	-
Accrued operating expenses	(b)	854	1,551	80	1,071
Accrued salaries, bonus and directors' remunerations		985	2,442	49	291
VAT payable		345	842		-
		4,774	5,903	129	1,362

Trade payables to third parties are unsecured, non-interest bearing and are generally on 30 to 60 days terms.

Notes:

(a) The aging of the Group's trade payables at the end of the reporting period was as follows:

	Group	
	As at	As at
	31 December 2024	30 June 2024
	RMB'000	RMB'000
Less than 30 days	2,552	1,050
Within 31 to 60 days	-	6
Within 61 to 90 days	-	-
Within 91 to 120 days	20	-
More than 121 days	18	12
Total	2,590	1,068

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16. Trade and Other Payables (cont'd)

Notes (cont'd):

(b) The accrued operating expenses at the end of the reporting period were mainly represented as follow:

	Note	Group		Company	
		As at	As at	As at	As at
		31 December 2024	30 June 2024	31 December 2024	30 June 2024
		RMB'000	RMB'000	RMB'000	RMB'000
Accruals:					
- Internal and external audit services		-	655	-	655
- Outsourced financial reporting services		-	184	-	184
Others	(i)	854	712	80	232
		<u>854</u>	<u>1,551</u>	<u>80</u>	<u>1,071</u>

(i) Others mainly comprise of custom fee and freight payable, amount payable to other non-trade suppliers, insurance payable, other accrued expenses and miscellaneous payables.

Other payables at the end of the reporting period were interest-free, unsecured and not past due.

17. Payable to Immediate Holding Company

Amounts payable to immediate holding company are non-trade, unsecured, repayable on demand and bore variable interest rate according to PRC central bank borrowing rates.

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18. Borrowings

	Group			
	As at 31 Dec 2024		As at 30 June 2024	
	Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
<u>Repayable in one year or less, or on demand</u>				
- Trade financing	79,222	-	9,908	-
- Short-term bank loans	-	29,652	-	29,148
<u>Repayable after one year</u>				
- Bank borrowings	-	-	-	-
Total	79,222	29,652	9,908	29,148

Details of any collateral

Trade financing bore fixed interest ranging from 1.60% to 2.34% (30 June 2024: 2.85%) per annum, is repayable within 12 months and secured by the endorsement of notes receivables. The Group has obtained working capital financing by endorsing the notes receivables issued by its immediate holding company, SDICZL to the Group in favour of the contracting financial institutions.

The short-term bank loans were unsecured, bore interest at 2.60% (30 June 2024: 2.60%) per annum and were obtained for working capital purpose. The borrowing tenure is 1 year from June 2024 (30 June 2024: from June 2024).

19. Subsequent Events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

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F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C

1. Review

The condensed consolidated statements of financial position of Zhongxin Fruit and Juice Limited and its subsidiaries as at 31 December 2024 and the related condensed consolidated statement of profit or loss and comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

1A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

2. Review of performance of the Group

Review for the performance of the Group for the six months financial period ended 31 December 2024 ("HY2025") as compared to the six months financial period ended 31 December 2023 ("HY2024").

Consolidated Statement of Comprehensive Income

During HY2025 and HY2024, the Group had recorded the following:

	Group	
	HY2025	HY2024
Procurement (Metric tonnes, "MT"):		
- Apples	85,213	77,547
- Pears	8,495	14,185
Total	<u>93,708</u>	<u>91,732</u>
Production (MT):		
- Apple juice	12,072	9,956
- Pear juice	364	930
- Fructose	2,487	2,201
- Essence	82	103
Total	<u>15,005</u>	<u>13,190</u>
Sales volume (MT):		
- Apple juice	9,943	4,089
- Pear juice	415	273
- Peach juice	1	-
- Fructose	4,607	651
- Essence	43	6
Total	<u>15,009</u>	<u>5,019</u>
Average selling price (RMB per MT):		
- Fruit juice	10,905	11,323
- Fructose	11,760	12,842
- Essence	9,738	13,248

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2. Review of performance of the Group (cont'd)

Production

The fruit juice industry is cyclical in nature, and the harvest season of the Group's raw materials such as apples and pears is during the first half of the Group's financial year and the Group's subsidiary Yuncheng Zhongxin Fruit & Juice Company Limited ("Yuncheng Zhongxin") generally produces fruit juice concentrate during this period for its annual supply.

The production activities of Xuzhou Zhongxin Fruit & Juice Company Limited ("Xuzhou Zhongxin") remained suspended in the current period due to a lack of commercial justification for production resumption.

Revenue

The concentrated fruit juices of the Group are mainly exported to multinational F&B corporations in overseas markets such as United States, via SDICZL. The Group achieved a significant 188% growth in revenue, with the increase from RMB58.4 million in HY2024 to RMB168.1 million in HY2025 due to the substantial increase in purchasing activity from the end customers, which could be attributable to such customers looking to increase their inventory holding levels to maintain a stable supply chain.

The positive impact to the Group's revenue arising from the increase in the sales volume was partially offset by the decrease in selling prices of concentrated fruit juices and fructose which have on the average, decreased by approximately 4% and 8% respectively in HY2025 as compared to HY2024.

Gross profit

The Group recorded higher gross profit in HY2025 driven by the significant increase in sales. However, the gross profit margin decreased from 18.4% in HY2024 to 16.3% in HY2025 mainly due to lower average selling prices of the concentrated fruit juices and fructose.

Other income

The Group reported higher amount of other income in HY2025 as compared to HY2024 mainly due to the increase in interest income by RMB1.1 million in relation to the interest charged by Yuncheng Zhongxin for outstanding accounts receivables from SDICZL. The increase is attributable to the higher level of outstanding accounts receivables due from SDICZL in relation to sales made during the financial period.

Expenses

The increase in distribution expenses was mainly due to higher transportation costs incurred in HY2025 following the increase in the volume of sales in the financial period.

The increase in finance costs was mainly due to higher interest paid by Yuncheng Zhongxin attributed to the higher bank borrowings secured in the financial period.

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2. Review of performance of the Group (cont'd)

Share of profit from equity-accounted joint venture

The Group shared the profit from its equity-accounted joint venture, Linyi SDIC Zhonglu Fruit Juice Co., Ltd (“Linyi SDIC”) of approximately RMB2.8 million in HY2025 as compared to share of loss of approximately RMB163,000 in HY2024. This was mainly due to the improvement in revenue and gross profit recorded by Linyi SDIC in HY2025 due to the higher sales volume in HY2025 attributed to increased demand from customers.

Income Tax Expense

Income tax expense in HY2025 was related to the income tax on non-operating income that was not exempted from tax.

Profit for the financial period

Due to the reasons explained above, the Group recorded profit after taxation of RMB 21.8 million in HY2025 as compared to RMB2.9 million in HY2024.

Statements of Financial Position

The comparative for both the assets and liabilities are based on the Group’s financial statements as at 31 December 2024 and 30 June 2024.

Non-current assets increased by approximately RMB2.9 million from RMB57.2 million as at 30 June 2024 to RMB60.1 million as at 31 December 2024 mainly due to the following:

Investment in Joint Venture

Investment in joint venture increased by approximately RMB2.8 million due to a higher carrying amount of the investment in Linyi SDIC following the share of profit in HY2025.

Current assets increased by approximately RMB89.8 million from RMB181.3 million as at 30 June 2024 to RMB271.1 million as at 31 December 2024 mainly due to the following:

Cash and cash equivalents

Cash and cash equivalents decreased by approximately RMB30.1 million as explained under the statement of cash flows below.

Notes receivables

The notes receivables represent the promissory notes issued by SDICZL in favour of the Group as consideration for trade purchases and the partial settlement of trade receivables owing by SDICZL to the Group. In turn, the Group has endorsed these promissory notes in favour of financial institutions to obtain working capital financing for the Group.

Trade receivables

Trade receivables increased by approximately RMB59.1 million mainly attributable to the increase in trade amount owing by SDICZL in relation to sales made during the financial period.

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2. Review of performance of the Group (cont'd)

Other receivables

Other receivables increased by approximately RMB1.3 million mainly attributable to the increase in value-added-tax receivables.

Prepayments

Prepayments decreased by approximately RMB2.2 million as the Group had completed most of its procurement requirements in HY2025 and there were lesser prepaid expenses required as at the balance sheet date.

Inventories

The Group carried out procurement and production activities in HY2025 which would typically result in higher stockholding levels at the period end. Concurrently, there was a significant increase in the sales volume of concentrated fruit juices and fructose in HY2025 driven by higher customer demand. This mitigating effect led to the Group carrying a lower inventories level as at 31 December 2024 as compared to 30 June 2024.

Current liabilities increased by approximately RMB70.9 million from RMB101.3 million as at 30 June 2024 to RMB172.2 million as at 31 December 2024. This was mainly due to the following:

Trade and Other Payables

Trade and other payables decreased by approximately RMB1.1 million mainly driven by the lower accrued expenses required as at the balance sheet date, offset by an increase in trade payables attributed to higher procurement and production activities in HY2025.

Borrowings

The borrowings of RMB108.9 million as at 31 December 2024 were in relation to the following:

- a) Trade financing of approximately RMB79.2 million obtained by Yuncheng Zhongxin, secured by the endorsement of the notes receivables from SDICZL in favour of Yuncheng Zhongxin. The trade financing was obtained from financial institutions to support the Group's working capital requirements. The proceeds were primarily utilised for the purchase of raw materials; and
- b) Short-term bank loans of approximately RMB29.7 million obtained by Yuncheng Zhongxin from financial institutions for working capital purpose.

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2. Review of performance of the Group (cont'd)

Statement of Cash Flows

Net cash used in operating activities of RMB97.6 million in HY2025 was mainly due to the positive cash flows before working capital changes and the changes in working capital outflow largely from the increase in notes receivables and receivable from immediate holding company, and offset by the decrease in inventories.

Net cash used in investing activities of RMB2.3 million in HY2025 was mainly due to purchase of property, plant and equipment.

Net cash generated from financing activities of RMB69.8 million in HY2025 was mainly due to drawdown of borrowings.

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

The Group's results for the financial period ended 31 December 2024 is consistent with the profit guidance announcement released by the Company on 20 January 2025.

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

While the Group recorded significant growth in revenue and profitability in HY2025, which could be attributable to the Group's end customers looking to increase its inventory levels, the Group is cognisant that there is significant uncertainty as to whether this performance can be sustained in the next reporting period as the Group will continue to face challenges which include fluctuating market demand, trade tensions, market competition as well as unpredictable climate change that adversely affects the harvesting conditions and causes reduction in the supply of quality raw materials and drives volatility of raw material prices. The ability to procure sufficient raw materials during the harvesting seasons will impact the Group's ability to maximise the utilisation of the production capacity for economies of scale and cost competitiveness of the products produced by the Group.

The challenging economic outlook together with all the above factors will continue to create uncertainty and will have an impact on the business of the Group. To mitigate these risks, the Group focuses on cost management and optimization as well as driving productivity improvements while exploring product diversification and adoption of practices to improve production processes and reduce costs. Leveraging the resources and network of its parent company, SDICZL, the Group aims to strengthen its position in the concentrated fruit juice industry and broaden its product varieties to include other value-added products.

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5. Dividend

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

No dividend was declared for HY2025.

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

Not applicable.

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

Not applicable. No dividend was declared for HY2024.

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

Not applicable.

- (d) **The date the dividend is payable.**

Not applicable.

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

Not applicable.

6. **If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or is recommended for HY2025 as the Company currently does not have retained profits available for the declaration of a dividend and the Board of Directors deems it appropriate to conserve funds for the Group's business activities and working capital requirement.

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7. Interested person transactions

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

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (RMB'000)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) (RMB'000)
SDICZL and its associates	-	(a) Sales by the Group to SDICZL and its group of companies 167,560
		(b) Interest income received by a subsidiary of the Company from SDICZL with respect to the interest charged on the outstanding trade receivable due from SDICZL 2,002
		(c) Interest paid by a subsidiary of the Company with respect to the working capital provided by SDICZL 1,002
Total	-	170,564

SDICZL is a controlling shareholder of the Company.

Transactions (a) to (c) were conducted pursuant to the renewed shareholders' mandate for IPTs approved by shareholders on 29 October 2024.

Save as disclosed above, there are no other discloseable IPTs in HY2025.

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8. Negative confirmation by the Board pursuant to Rule 705(5) of the Catalist Rules

On behalf of the Board of Directors, we hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the six-months financial period ended 31 December 2024 to be false or misleading in any material aspect.

Liu Yu
Director

Liu Xiaoyan
Director

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

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

10. Changes in the composition of the Group

There were no changes in the composition of the Group in HY2025.

BY ORDER OF THE BOARD

Liu Yu
Chairman and Non-Executive Non-Independent Director

11 February 2025

This announcement has been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "Sponsor").

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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.