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UEN No: S99SS0111B
GST Reg No: M90367530Y0Y

Issuer: Zhongxin Fruit and Juice Limited

Stock code: 5EG

Meeting details:

Date: 27 October 2026

Time: 11.00 a.m.

Venue: Function Room III, Level 4, 1 Orchard Road, YMCA @ One Orchard, Singapore 238824

Q1. In FY2026, the group generated RMB171.9 million, or approximately 93.5% of its total revenue, from its immediate holding company, SDIC Zhonglu Fruit Juice Co., Ltd. (SDICZL). A related party, Qingdao SDIC Zhonglu Fruit Juice Co., Ltd, accounted for a further 6% of revenue.

SDICZL has consistently accounted for the overwhelming majority of the group's revenue over the years:

FY2026: 93.5%
FY2025: 99.4%
FY2024: 95.0%
FY2023: 89.9%
FY2022: 91.8%
FY2021: 90.6%
FY2020: 96.1%

The joint venture, Linyi SDIC Zhonglu Fruit Juice Co., Ltd., also sells all its products to SDICZL.

- (i) Does management have the commercial mandate and operational capability to acquire external customers independently of SDICZL? If so, what specific initiatives are underway to diversify the customer base? If not, what degree of commercial autonomy does the group have in determining its own growth strategy, pricing and customer relationships?**

The company was listed on the SGX Sesdaq (now known as the SGX Catalist) in 2004. SDICZL holds 53.11% of the company's issued shares, while approximately 19.99% is held by public shareholders. Despite having 1.055 billion issued shares, the company's shares have historically traded with limited liquidity.

Substantial Shareholders

SUBSTANTIAL SHAREHOLDERS	DIRECT INTEREST		DEEMED INTEREST		TOTAL %
	NUMBER OF SHARES	%	NUMBER OF SHARES	%	
SDIC Zhonglu Fruit Juice Co., Ltd.	560,598,425	53.11	–	–	53.11
State Development & Investment Corp., Ltd.	–	–	560,598,425	53.11	53.11 ¹
Ho Kam Har	163,171,897	15.46	–	–	15.46
Go Twan Heng	120,750,399	11.44	–	–	11.44

Note:

1. State Development & Investment Corp., Ltd. is deemed to be interested in the shares held by SDIC Zhonglu Fruit Juice Co., Ltd. by virtue of Section 6 of the Companies Act 1967.

Shareholding Held in Public Hands

Approximately 19.99% of the shareholding of the Company is held in the hands of the public as at 28 September 2026 and Rule 723 of the Catalist Rule is complied with.

(Source: company annual report)

SDICZL is itself a PRC-incorporated company listed on the Shanghai Stock Exchange¹. In contrast to the company's muted share price performance, SDICZL's share price has performed strongly in recent years. SDICZL has a market capitalisation of approximately RMB6 billion, while the company's market capitalisation is approximately \$25 million.

¹ The company's ultimate holding company is State Development & Investment Corp., Ltd. ("SDIC"), a state-owned enterprise in the PRC.

SDIC Zhonglu Fruit Juice Co.,Ltd. (600962.SS) ☆

22.90 +0.21 (+0.93%)

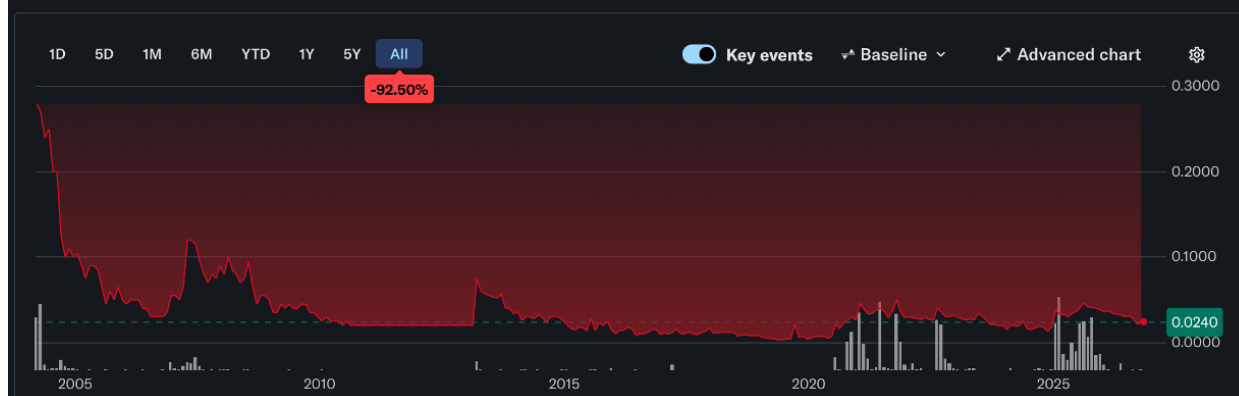
As of 16 October at 3:00:01 pm GMT+8. Market open.



Zhongxin Fruit and Juice Limited (5EG.SI) ☆

0.0240 0.0000 (0.00%)

At close: 12 October at 3:33:58 pm SGT



(Source: <https://sg.finance.yahoo.com/quote/600962.SS/> and <https://sg.finance.yahoo.com/quote/5EG.SI/>)

The company appears to function primarily as part of SDICZL's wider supply chain, with high customer concentration, limited trading liquidity and a relatively low market valuation.

- (ii) **Could the board state the investment case for shareholders to invest in the SGX-listed entity? Has the board engaged SDICZL on whether the current group structure remains optimal, including the strategic rationale and benefits of maintaining a separate SGX listing for what appears to be a relatively small part of the wider group's supply chain?**

Q2. In FY2026, the group paid income tax of RMB1.57 million. As at 30 June 2026, it had unutilised tax losses² of approximately RMB25.18 million, down from RMB26.37 million a

² Deferred tax assets are recognised for unutilised tax losses carried forward to the extent that the realisation of the related tax benefits through future taxable profit is probable.

year earlier. These losses can generally be carried forward for up to five years from the year following the year in which they arose, subject to approval by the relevant tax authorities and compliance with applicable tax legislation.

10. Income Tax (cont'd)

A reconciliation between income tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial year ended 30 June were as follows:

	Group	
	2026 RMB'000	2025 RMB'000
Profit before income tax	20,063	30,333
Income tax using the applicable tax rate	5,016	7,583
Effect of different tax rate in Singapore	207	187
Expenses not deductible	449	405
Income not subject to tax*	(5,693)	(8,832)
Deferred tax assets not recognised	1,140	1,166
Withholding tax expenses	450	150
	1,569	659

* Amount is mainly attributed to the qualifying operating profits of the Group's subsidiaries in the PRC which are fully exempted from PRC corporate income tax under Section 149 of Finance Bill (2008).

Pursuant to Section 149 of Finance Bill (2008), a special incentive was granted by the tax authorities to PRC companies engaging in the preliminary processing of farm products. Pursuant to this special incentive, the qualifying operating profits of the PRC companies would be fully exempted from the PRC corporate income tax.

(Source: company annual report)

During FY2026, tax losses of RMB5.742 million expired unused. The unutilised tax losses of RMB6,524,000, RMB4,801,000, RMB4,901,000, RMB4,398,000 and RMB4,559,000 will expire in the financial year ended 30 June 2028, 30 June 2029, 30 June 2030, 30 June 2031 and 30 June 2032.

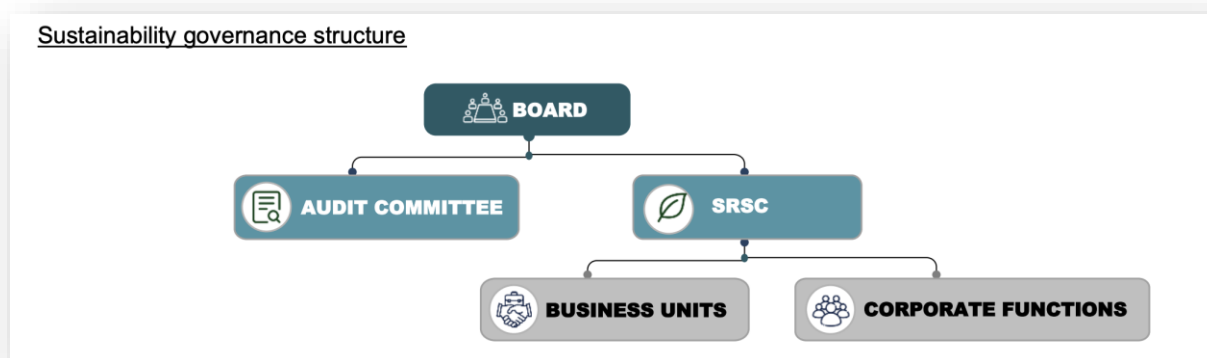
The group has not recognised deferred tax assets in respect of the remaining unutilised tax losses, with the associated unrecognised deferred tax amounting to approximately RMB6.296 million as at 30 June 2026.

- (i) **Could management provide a breakdown of the RMB25.18 million in unutilised tax losses by legal entity, and given the restrictions on transferring tax losses between entities, what specific operational or tax planning measures are available to improve utilisation before expiry? How much of the remaining tax losses does management realistically expect to utilise before they expire?**

Separately, on 16 October 2026, the company announced the compulsory acquisition of the group's land and buildings in Feng County, Jiangsu Province, China. The aggregate compensation comprises RMB28.5 million in cash, payable over five years, and four replacement properties in the Zero Formaldehyde Home Furnishing Industrial Park in Feng County, valued at RMB43.66 million. After estimated taxes and expenses of approximately RMB8.3 million, the group expects to recognise a gain of approximately RMB45.56 million, equivalent to about \$8.71 million.

(ii) Can the board explain whether a capital reduction will be considered and effected to share this benefit directly with shareholders?

Q3. The board is responsible for overseeing the group's sustainability matters and delegates implementation and reporting responsibilities to an executive-level sustainability reporting steering committee (SRSC). The SRSC is led by the general manager and comprises senior management executives and managerial representatives from various functions, with support from selected employees across key business units and corporate functions.



(Source: company sustainability report)

- (i) Could the board clarify the SRSC's size and composition, including the functions and levels of seniority represented? How are responsibilities allocated among its members, and who is ultimately accountable for delivering the group's sustainability objectives?**
- (ii) Beyond reviewing sustainability matters at quarterly board meetings, how does the board actively drive sustainability across the group? What specific actions has it taken to ensure that sustainability priorities influence business decisions, capital allocation and operational performance?**

The sustainability report states that the group is still refining its sustainability metrics, measurement, tracking and target-setting mechanisms. It intends to link key executives' remuneration to sustainability performance once these mechanisms are more mature and stable.

Note 10 of the sustainability report, on pages 22 to 24, sets out the group's existing targets for its material sustainability topics. An example is shown below.

S/N	Material Sustainability Factor	Target ¹⁵	Current Year's Progress
4	Energy conservation and GHG emissions reduction	<u>Short-term</u> Reduce fuel consumption to 3,400 litres and electricity consumption to 3,700,000 kWh. <u>Short-term</u> Reduce aggregated Scope 1 and 2 GHG emissions intensity <u>Medium-term and long-term</u> Reduce aggregated absolute Scope 1 and 2 GHG emissions by 20% by FY2035 and aspire to achieve carbon neutrality by FY2050, with FY2025 as our baseline	●○○ Our fuel consumption is 3,466 litres and electricity consumption is 6,038,000 kWh. Moving forward, this target will not be tracked as new targets that are aligned to the Reporting Framework are set. ○○○ We set a new short-term target for energy conservation and GHG emissions reduction. ○○○ We developed a climate change transition plan and will refine and improve the plan as we progressively implement it, by considering changes in business operations, environment and market trends.
Legend		Progress tracking	
○○○		New target	
●●●		Target achieved	
●●○		On track to meet target	
●○○		Not on track, requires review	

(Adapted from company sustainability report)

- (iii) What has prevented the group from establishing specific, measurable and time-bound targets, supported by clearly defined baselines and performance indicators, for material sustainability topics where these are not yet in place? What is the board's timeline for establishing targets for the remaining topics and linking executive remuneration to sustainability performance?

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

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