

Zixin Group delivers RMB 42.7 million in net profit for FY25

- ♣ The Group’s significant growth in revenue and net profit stemmed from additional revenue sources, enhanced operational efficiency and economies of scale achieved through capacity expansion
- ♣ The Group remains committed to realise the potential value of the circular economy through its planned expansion across the industrial value chain
- ♣ Barring unforeseen circumstances, China’s national directive in its recent 10-year plan to enhance food security, modernise agriculture, drive technological innovation, and promote rural revitalisation bodes well for the Group’s sustainable growth, as it plans to replicate its sweet potato circular economy industrial value chain in Lingao County, Hainan Province, in the near future

KEY FINANCIAL HIGHLIGHTS:

FYE 31 March (RMB’000)	2H* FY25 (unaudited)	2H* FY24 (unaudited)	YoY Change	FY25 (unaudited)	FY24 (reclassified)	YoY Change
Revenue	267,994	201,256	33.2%	424,680	319,010	33.1%
Gross profit	92,335	67,163	37.5%	144,377	102,059	41.5%
Gross profit margin	34.5%	33.4%	1.1pp*	34.0%	32.0%	2.0pp*
Adjusted profit before tax ⁽¹⁾	-	-	-	62,831	21,465	192.7%
Non-cash and one-off expenses ⁽²⁾	-	-	-	(7,730)	-	N.M.*
Profit before tax	45,125	23,152	94.9%	55,101	21,465	156.7%
Profit after tax⁽³⁾	34,907	16,757	108.3%	42,720	13,354	219.9%
EPS⁽⁴⁾ (RMB cents)	2.25	1.21	86.0%	2.75	0.97	183.5%

* 2H denotes six months ended 31 March; pp denotes percentage points; N.M. denotes not meaningful.

Notes:

- (1) Adjusted profit before tax was computed by adding the non-cash and one-off expenses back to profit before tax. Please refer to note (2) below for more details.
- (2) Non-cash and one-off expenses of approximately RMB 7.7 million refer to employee benefits expenses associated with the vesting of performance shares in April 2024 under the Zixin Performance Share Plan and the expenses incurred in connection with the Rights Cum Warrants Issue completed in June 2024, respectively.
- (3) Profit after tax denotes net profit attributable to owners of the Company.
- (4) Earnings per share (“EPS”) were computed based on basic weighted average number of approximately 1.56 billion shares for 2H FY25 and FY25, and 1.38 billion shares for 2H FY24 and FY24.

For Immediate Release

SINGAPORE, 30 May 2025 – SGX Catalist-listed **Zixin Group Holdings Limited** 紫心集团控股 (“Zixin” or the “Company” and together with its subsidiaries, “Zixin Group”), a leading biotech-focused sweet potato integrated industrial value chain operator, achieved a net profit of RMB 42.7 million on the back

of a 33.1% increase in revenue to RMB 424.7 million for the financial year ended 31 March 2025 (“FY25”). The significant increase in revenue and net profit can be attributed to the introduction of additional revenue sources, enhanced operational efficiency and economies of scale achieved through capacity expansion. This led to increased sales volume and improved composite gross margin from the business segments, comprising (i) Cultivation and Supply (“C&S”), (ii) Product Innovation and Food Production (“PIFP”), and (iii) Recovery and Recycling (“R&R”).

Mr. Liang Chengwang (梁承旺), Executive Chairman and Chief Executive Officer of Zixin Group, commented on the financial performance for FY25, said, **“We are excited to achieve a new milestone in our financial performance, as the upstream operations of our biotech-focused sweet potato industrial value chain, which includes the production and sale of seedlings and fresh sweet potatoes, and processed sweet potato products, have demonstrated commendable growth in FY25.**

We believe this set of results is just a beginning, as the circular economy is now completed with the production and sale of probiotic-infused fermented sweet potato feedstock derived from agricultural waste. We will continue to implement our planned expansion across the industrial value chain, particularly the downstream on sales and distribution and feedstock, which we believe will realise the potential value of the circular economy.”

Currently, Liancheng County’s sweet potato varieties are developed for a broad range of purposes and applications with more than 160 types of products, which accounted for more than 80% of the national market share in China. According to Liancheng Farmers’ Entrepreneurship Park Management Committee, the sweet potato planting area of 100,000 mu and processed sweet potato products of 410,000 tonnes generated an output value of approximately RMB 17.4 billion in Liancheng County in 2024.

(Reference: 撬动 174 亿! 龙岩连城地瓜如何变“金瓜” <https://www.52hrtt.com/cl/n/w/info/F1746513420742>)

Mr Liang adds, **“Our intention in establishing the sweet potato circular economy industrial value chain business model is to serve as a collaborative platform for diverse stakeholders in the sweet potato sector. We expect that a greater number of participants in our circular economy business platform will not only bolster their competitive advantages in their respective businesses but also mitigate the risk exposure inherent to agricultural operations. This may enhance economic values and elevate the living standards of the local community.”**

FINANCIAL REVIEW

The Group successfully implemented the sweet potato circular economy industrial value chain during FY25, in conjunction with the supporting industries of smart warehousing and the fermentation of agricultural waste into feedstock. This resulted in an overall increase in revenue by 33.1% year-on-year, from RMB 319.0 million in FY24 to RMB 424.7 million in FY25.

Revenue from the C&S segment was primarily driven by an increase in the production and sale of sweet potato seedlings and fresh sweet potatoes, which accounted for approximately 0.3% and 23.5% of the total revenue, respectively. The rise in revenue from sweet potato seedlings stemmed from expansion of the seedlings nursery from an initial size of 100 mu to 200 mu. This expansion allowed the Group to meet contracted farmland requirements and now provide excess capacity for sales to external parties. Additionally, the outsourced services provided by the smart warehouse, which includes automated sweet potato washing, sorting, packing, and cold storage, continue to enhance the Group's operational efficiency, resulting in higher volume of fresh sweet potatoes available for sale with an extended shelf life.

Revenue from the PIFP segment, which primarily includes sweet potato processed products, increased by 24.1% year-on-year, from RMB 260.3 million in FY24 to RMB 323.0 million in FY25. This growth can be attributed to (i) the newly launched products, including sweet potato crisps and fries, as well as additive-free, vacuum-packed steamed sweet potato, (ii) partial capacity expansion at the newly established high-tech manufacturing facility, and (iii) modifications to the production line at the existing plant to accommodate increased demand.

The additional revenue stream originated in the R&R segment was contributed by the production and sale of probiotic-infused fermented sweet potato feedstock derived from agricultural waste in the second half of FY25.

Revenue Analysis by Business Segments and Products

FYE 31 March (RMB '000)	FY25 (unaudited)	FY24 (audited)	Variance
Cultivation & Supply ("C&S")			
Fresh sweet potatoes	99,987	58,099	72.1%
Sweet potato seedlings	1,221	563	116.9%
Product Innovation & Food Production ("PIFP")			
Sweet potato processed products	323,027	260,348	24.1%
Recovery & Recycling ("R&R")			
Fermented sweet potato feedstock	445	-	N.M.*
Total	424,680	319,010	33.1%

* N.M. denotes not meaningful.

The Group's gross profit increased by 41.5% year-on-year, from RMB 102.1 million in FY24 to RMB 144.4 million in FY25, mainly due to an increase in overall sales. Correspondingly, the composite gross margin increased from 32.0% in FY24 to 34.0% in FY25, which was primarily driven by a higher margin from the sale of fresh sweet potatoes but balanced by a slight decrease in gross profit margin for sweet potato processed products as a result of higher overheads from the additions of new machineries and equipment at the new manufacturing facility, which has yet to be fully utilised.

Taking into account the operating, finance, and income tax expenses for FY25, the Group registered a net profit after tax of RMB 42.7 million in FY25, an increase of 219.9% year-on-year from RMB 13.4 million in FY24.

FINANCIAL POSITION ANALYSIS

As at 31 March (RMB'000)	2025	2024	Variance
Equity attributable to the owners of the Company ("Net asset value")	575,567	513,932	12.0%
Current assets	370,830	275,463	34.6%
Cash and bank balances	183,167	156,151	17.3%
Current liabilities	133,222	92,397	44.2%
Other financial liabilities ⁽¹⁾	74,845	58,500	27.9%
Working capital ⁽²⁾	237,608	183,066	29.8%
Net cash position	108,322	97,651	10.9%
Net cash per share ⁽³⁾ (RMB)	0.068	0.071	(4.2)%
Net asset value per share ⁽³⁾ (RMB)	0.362	0.371	(2.4)%

Notes:

(1) Other financial liabilities refers to short-term bank borrowings.

(2) Working capital was computed using current assets less current liabilities.

(3) Net cash per share and net asset value per share were computed based on the share capital of approximately 1.59 billion shares as at 31 March 2025 and 1.38 billion shares as at 31 March 2024.

The Group maintained a net cash position of RMB 108.3 million as at 31 March 2025 and recorded positive working capital of RMB 237.6 million as at 31 March 2025, up from RMB 183.1 million as at 31 March 2024. Net asset value per share decreased from RMB 0.371 as at 31 March 2024 to RMB 0.362 as at 31 March 2025 due to the increase in the share capital from 1.38 billion shares as at 31 March 2024 to 1.59 billion shares as at 31 March 2025.

RECENT DEVELOPMENTS AND PROSPECTS

The Group achieved a set of commendable results in FY2025 as its biotech-focused sweet potato circular economy industrial value chain closed the loop with the agricultural waste-derived feedstock for poultry feeds.

In early April 2025, the Company announced its breakthrough in the production of sweet potato crisps and fries snack products. The specific modification to its production process not only improved the texture and flavour of the sweet potato crisps and fries but also prevented the degradation of heat-sensitive nutrients such as vitamin C, dietary fibre, and selenium in the sweet potatoes. The Company has been receiving orders since February 2025 and delivering the products from March 2025.

(Reference: Zixin Group achieves breakthrough in sweet potato crisps and fries snack products <https://links.sgx.com/FileOpen/ZGHL%20-%20Zixin%20Group%20Achieves%20Breakthrough%20in%20Crisp%20Snack%20Products%2001042025.ashx?App=Announcement&FileID=838311>)

In March 2025, the Company announced a second order for 180 tonnes of probiotic-infused fermented sweet potato feedstock from a local white duck poultry farm. This order, together with the first feedstock order of 1,080 tonnes from a local chicken poultry farm announced in January 2025, will give the Company a total order book of 1,180 tonnes, generating approximately RMB 3.96 million (approximately S\$ 0.71 million) in revenue for a year.

(References: 1. Zixin Group secures first probiotic-infused fermented sweet potato feedstock order <https://links.sgx.com/FileOpen/ZGHL%20-%20Press%20Release%202025.01.07.ashx?App=Announcement&FileID=829772> 2. Zixin Group secures new order for probiotic-infused sweet potato feedstock <https://links.sgx.com/1.0.0/corporate-announcements/NXK4WMHUOIPLXEEV/73d3357ea56a036c1685ca0fd2eec6ef9efc386162512df74d43414257db6db3>)

In February 2025, the Company provided an update on phase one of its planned expansion plan – the enhancement of processed sweet potato manufacturing capacity and product diversity at its advanced manufacturing plant. Three automated production lines have been installed, and the line for manufacturing additive-free, vacuum-packed steamed sweet potato product under its own brand, as well as for reputable third-party brands in China, has begun commercial production.

(Reference: Progress Update on Zixin Group’s Operations <https://links.sgx.com/FileOpen/ZGHL%20-%20Progress%20Update%20on%20the%20Groups%20Operations%2006022025.ashx?App=Announcement&FileID=832397>)

Mr. Liang said, **“These recent developments are still in their early stages, and we will continue to progress with our planned expansion across our core business segments. These include (i)**

expanding the cultivation area of the seedlings nursery, (ii) commercialising our higher-margin processed sweet potato snacks and functional products at our high-technology manufacturing facility, (iii) strengthening our branding, marketing and distribution capabilities, and (iv) leveraging the capacity expansion of our third-party agricultural waste collector alongside the initiation of the third-party fermentation plant operations to enhance our production and sale of probiotic-infused fermented sweet potato feedstock in Liancheng County. We believe these expansions are likely to optimise our growth potential as we refine our circular economy business platform for all stakeholders in the sweet potato industry in Liancheng County.”

On 7 April 2025, the Chinese State Council announced a 10-year plan outlining several key strategies to enhance food security, modernise agriculture, drive technological innovation, and promote rural revitalisation by 2035. According to the plan, China also aims to achieve a grain output capacity of around 700 million metric tons, strengthen self-sufficiency in key crops, make breakthroughs in agricultural technologies like seeds and machinery, and boost global competitiveness by 2027.

(References: China unveils 10-year agricultural master plan, prioritizing food self-sufficiency, agritech innovation <https://www.globaltimes.cn/page/202504/1331611.shtml>, 加快建设农业强国规划 (2024—2035) https://www.gov.cn/zhengce/202504/content_7017469.htm)

Mr. Liang adds, **“The impending replication of Zixin Group’s sweet potato industrial value chain in Lingao County, Hainan Province, aligns with the national directives. We believe this project not only seeks to improve productivity and stimulate economic growth for Lingao County but also promotes Zixin Group’s sustainable growth collectively, creating mutually beneficial outcomes for all.”**

The Company will update shareholders on material developments of the Group, as and when they arise.

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This press release is to be read in conjunction with the Company’s unaudited financial results announcement released on the SGX Website on 30 May 2025.

ZIXIN GROUP HOLDINGS LIMITED 紫心集团控股

(Stock code – SGX: **42W** | Bloomberg: **ZXGH SP** | Reuters: **42W.SI**)

Zixin Group Holdings Limited (“**Zixin**” or the “**Company**” and together with its subsidiaries, “**Zixin Group**”) is a leading biotech-focused sweet potato integrated industrial value chain operator in China. Through its wholly-owned subsidiaries, the Group harnesses its biotechnology capabilities to strengthen and support its core business areas: **(a) cultivation and supply** – (i) research and development on sweet potato varieties to cultivate sweet potato seedlings, (ii) sweet potato cultivation techniques and solutions to improve the quality and yield for farmlands, (iii) sweet potato seedlings nursery base, and (iv) fresh sweet potatoes supply, **(b) product innovation and food production** – innovation of snack food and functional food, as well as production techniques to maximise nutrient retention and produce healthier proprietary branded products, **(c) brand building, marketing and distribution channel building** – strengthen market awareness and position of proprietary brands of healthier snack food and functional food through targeted marketing campaigns and various distribution platforms (traditional and e-commerce) throughout China, and **(d) recovery and recycling** – R&D on nutritional content from sweet potato peels through proprietary extraction technology and utilising proprietary probiotic fermentation formulation as a medium to convert agricultural waste materials such as spoiled sweet potatoes, sweet potato peels, stems and leaves into raw ingredients that could potentially be part of the poultry and animal feeds.

Zixin Group aims to be a leading biotech-focused sweet potato agritech operator globally that leverages smart ecological agriculture and utilises biotech capabilities throughout its integrated sweet potato industrial value chain. With the support of complementary industries such as smart warehousing and agricultural waste fermentation, Zixin Group intends to utilise its biotech capabilities to reinforce its circular economy business model to further enhance its effectiveness and cultivate economies of scale.

Please visit the Company’s website at www.zixingroup.com.sg for more information.

Issued for and on behalf of **ZIXIN GROUP HOLDINGS LIMITED** by:



Investor relations contact:

Rosalina Soh 苏沛熙

Mobile : (65) 9677 6683

Email : rosalina@octavecomms.com

*This media release has been reviewed by the Company's sponsor, RHB Bank Berhad (the “**Sponsor**”) in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalyst (the “**Catalist Rules**”).*

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The contact person for the Sponsor is Mr Alvin Soh, Head, Corporate Finance, at 90 Cecil Street, #03-00 RHB Bank Building, Singapore 069531, telephone (65) 6320 0627.