ZIXIN GROUP HOLDINGS
紫心集团控股

OPTIMISING CAPABILITIES ENHANCING VALUES

优化能力、提升价值

ANNUAL REPORT **2025**

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VISION
愿景

Strive to be the global agritech leader in the sweet potato industry.

致力成为甘薯产业创新实践的全球领导者。

MISSION
使命

Rooted in China, Benefiting the World.

扎根中国，造福世界。

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

This annual report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of the statements or opinions made, or reports contained in this annual report.

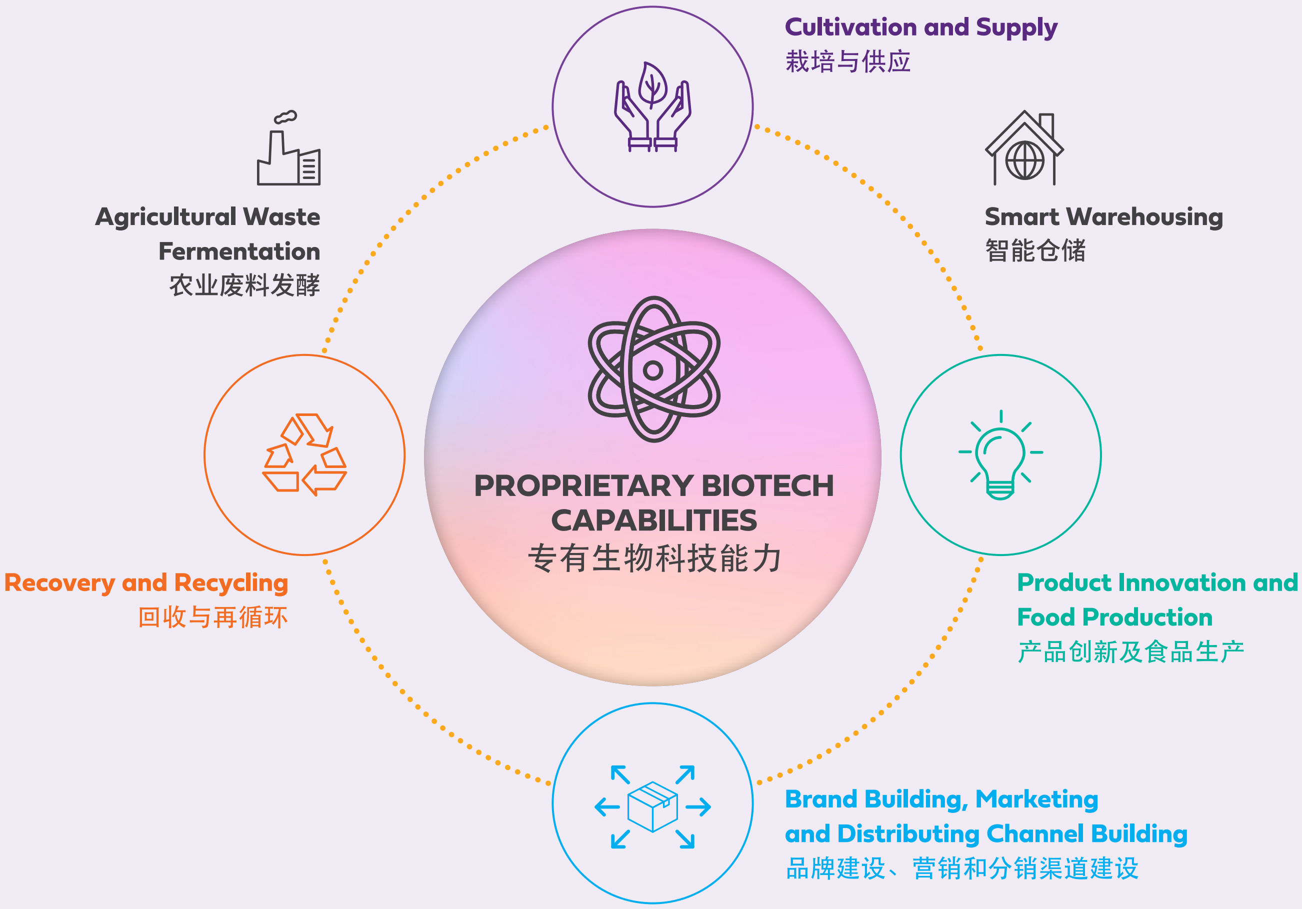
The contact person for the Sponsor is Mr Alvin Soh, Head, Corporate Finance, RHB Bank Berhad, at 90 Cecil Street, #03-00 Singapore 069531, Telephone (65) 6320 0627.

COMPANY PROFILE

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) sales of fresh sweet potatoes (ii) sales of sweet potato seedlings (iii) research and development of sweet potato varieties to cultivate sweet potato seedlings, and (iv) sweet potato cultivation techniques and solutions to improve the quality and yield for farmlands, **(b) product innovation and food production** – (i) sale of sweet potato processed products, and (ii) food processing techniques to maximise nutrient retention in proprietary branded products, **(c) brand building, marketing and distribution channel building** – building of proprietary brands of healthier snacks through targeted marketing campaigns and various distribution platforms (traditional and e-commerce) throughout China, and **(d) recovery and recycling** – (i) sales of fermented sweet potatoes waste, (ii) recovering nutritional content from sweet potato peels, and (iii) converting waste materials such as sweet potato peels, stems and leaves into main ingredients for poultry and animal feed.

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.

ZIXIN GROUP'S BIOTECH-FOCUSED SWEET POTATO INTEGRATED CIRCULAR ECONOMY INDUSTRIAL VALUE CHAIN BUSINESS MODEL
紫心集团以生物科技为核心的甘薯综合循环经济产业价值链商业模式



Zixin Group Holdings Limited is listed on the Catalist Board of the Singapore Exchange under the stock code **42W**.

CHAIRMAN'S LETTER TO SHAREHOLDERS

MR. LIANG CHENGWANG
Executive Chairman and
Chief Executive Officer

REVENUE
RMB **424.7** m
33.1%
(FY2024: RMB 319.0 million)

GROSS PROFIT
RMB **144.4** m
41.5%
(FY2024: RMB 102.1 million)

At Zixin, we aim to address agricultural challenges and mitigate risk by creating a closed-loop circular economy for the sweet potato industrial value chain.

CHAIRMAN'S LETTER TO SHAREHOLDERS

DEAR SHAREHOLDERS,

We are pleased to share that Zixin Group has successfully implemented the sweet potato circular economy industrial value chain in the financial year ended 31 March 2025 ("**FY2025**"), in conjunction with the supporting industries of smart warehousing and the fermentation of agricultural waste into feedstock.

Over the past decade, we have been developing and integrating our core business segments in depth and breadth across the sweet potato supply chain, with the primary focus of delivering a consistent quality supply of fresh sweet potatoes and expanding the range of processed products to consumers. We are determined to create a resilient and sustainable sweet potato industrial value chain that meets the evolving demands of the market, as well as balance risks associated with the agriculture sector. We are committed to remain at the forefront of the industry by adopting new agritech methods and advanced technologies through our long-term collaboration with research institutes. This commitment enables us to enhance efficiency and sustainability throughout our operations, ultimately driving value for our stakeholders.

We are heartened that the prospects of the sweet potato agricultural sector are underpinned by the Chinese government's national initiatives.

While ongoing trade disputes, geopolitical uncertainties, and economic slowdowns cast doubts over the business environment, we are heartened that the prospects of the sweet potato agricultural sector are supported by the Chinese government's national initiatives to enhance food security, modernising agriculture through advanced techniques and technologies, and promoting rural revitalisation by 2035[1].

It is gratifying to witness the results of our efforts as we have navigated numerous challenges to achieve our planned milestones. This journey has not only tested our resilience but has also nurtured innovation and collaboration within our team. As we progress, we remain committed to pushing boundaries and embracing the new opportunities that lie ahead.

REVENUE ANALYSIS BY REPORTABLE SEGMENTS AND PRODUCTS

FYE 31 March (RMB '000)	1H FY2025	2H FY2025	VARIANCE	FY2025
Cultivation & Supply				
Fresh sweet potatoes	48,645	51,342	5.5%	**99,987**
Sweet potato seedlings	800	421	(47.4)%	**1,221**
Product Innovation & Food Production				
Sweet potato processed products	107,241	215,786	101.2%	**323,027**
Recovery & Recycling				
Fermented sweet potato feedstock	–	445	N.M.	**445**
Total	156,686	267,994	71.0%	**424,680**

Note: 1H denotes the six months ended 30 September; 2H denotes the six months ended 31 March; and N.M. denotes not meaningful.

CHAIRMAN'S LETTER TO SHAREHOLDERS

In FY2025, Zixin Group recorded a 33.1% year-on-year increase in revenue to RMB 424.7 million, up from RMB 319.0 million in FY2024, and achieved a net profit after tax of RMB 42.7 million, a 219.9% year-on-year growth from RMB 13.4 million in FY2024. The significant growth in revenue and net profit can be attributed to the contributions arising from expansions in our three core business segments, comprising (i) Cultivation and Supply, (ii) Product Innovation and Food Production, and (iii) Recovery and Recycling.

The commendable set of results was achieved despite the increased overheads associated with the addition of new machinery and equipment at the new manufacturing facility, which has yet to fully utilised. We counterbalanced these costs with a strategy focused on higher-margin products. Gross profit rose by 41.5% year-on-year, increasing from RMB 102.1 million in FY2024 to RMB 144.4 million in FY2025, and the composite gross margin improved from 32.0% in FY2024 to 34.0% in FY2025.

During FY2025, we incurred a one-off expense of RMB 1.1 million related to the rights-cum-warrants issue, along with the non-cash staff compensation comprising 61 million performance shares, totalling RMB 6.6 million. Excluding these one-off expenses, our Group will report a net profit of RMB 50.4 million, a 276.1% year-on-year growth from FY2024.

OPTIMISING CAPABILITIES, ENHANCING VALUES

The increasing awareness of traceability and growing demands for food safety, food security and feed security bode well for Zixin Group. At Zixin, we aim to address agricultural challenges and mitigate risk by creating a closed-loop circular economy for the sweet potato industrial value chain. The current implementation only marks the beginning of our efforts.

While we continue to refine our processes and products in line with our planned expansion across our core business segments, we invite more stakeholders to engage with our circular economy business platform. This platform facilitates the use of third-party services, including smart warehousing, agricultural waste disposal, and fermentation, depending on their business operations within the sweet potato supply chain. We believe their involvement will not only optimise capabilities and enhance the value of our sweet potato circular economy industrial value chain model but also contribute to the transformation of the sweet potato agriculture sector in Liancheng County, fostering stability and sustainability in their lives.

Beyond Zixin Group's base in Liancheng County, we will be replicating the integrated sweet potato industrial value chain progressively in Lingao County, Hainan Province, which 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.

ACKNOWLEDGEMENTS AND APPRECIATION

I acknowledge and appreciate the invaluable guidance and contribution of my fellow directors in the past year.

On behalf of the Board, I would like to convey our appreciation to all Zixin Group members for their commitments and efforts. We are also appreciative and thankful for the unwavering support and patience of our business partners, customers, and shareholders in Zixin Group.

As we progress with our planned expansions, we are also looking forward to the opportunities to replicate our business model in China and overseas to address the growing concerns of food safety, food security, and feed security. We are determined to make a positive difference to everyone's lives.

Liang Chengwang
Executive Chairman & Chief Executive Officer

Reference:

1. 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)

主席致股东的信

梁承旺
执行主席兼首席执行官

财年收入

4.25 亿人民币

33.1%
(FY2024 财年: 3.19 亿人民币)

毛利

1.44 亿人民币

41.5%
(FY2024 财年:1.02 亿人民币)

紫心致力于通过打造甘薯产业价值链的闭环循环经济,应对农业挑战并降低风险。

主席致股东的信

诸位股东：

我们很高兴与大家分享，紫心集团在截至2025年3月31日的财政年度（“**2025财年**”）成功实施了甘薯循环经济产业价值链，并结合智能仓储和农业废料发酵成原料的配套产业。

过去十年，我们不断深入和广泛地开发和整合甘薯供应链的核心业务板块，致力于持续供应优质新鲜甘薯，并拓展消费者的加工产品种类。我们致力于打造富有韧性和可持续性的甘薯产业价值链，以满足不断变化的市场需求，并平衡与农业相关的风险。我们致力于通过与科研机构的长期合作，采用新的农业科技方法和先进技术，始终保持行业领先地位。这一承诺使我们能够提升整个运营的效率和可持续性，最终为利益相关者创造价值。

尽管持续的贸易争端、地缘政治不确定性和经济增长放缓给商业环境带来了疑虑，但令我们感到振奋的是，中国政府提出了到2035年加强粮食安全、通过先进技术和工艺实现农业现代化以及促进乡村振兴的国家举措，这为甘薯农业的前景提供了支撑[1]。

我们克服了重重挑战，实现了计划中的里程碑，见证了我们的努力成果。这段旅程不仅考验了我们的应变能力，也培养了我们团队的创新和协作精神。在前进的道路上，我们将继续致力于突破极限，迎接未来的新机遇。

我们感到振奋的是，中国政府提出了到2035年加强粮食安全、实现农业现代化、推动技术创新和促进乡村振兴的国家举措，为红薯农业的前景提供了支撑。

按可报告分部和产品划分的收入分析

3月31日财政年度（人民币千元）	2025 财年上半年	2025 财年下半年	差异	2025 财年
栽培和供应				
新鲜甘薯	48,645	51,342	5.5%	99,987
薯苗	800	421	(47.4)%	1,221
产品创新和食品生产				
加工薯食品	107,241	215,786	101.2%	323,027
回收和循环利用				
发酵甘薯原料	-	445	N.M.	445
共计	156,686	267,994	71.0%	424,680

备注： 上半年表示截至9月30日的六个月；下半年 表示截至3月31日的六个月；N.M. 表示无意义。

主席致股东的信

在2025财年，紫心集团的收入从2024财年的3.19亿元增长至4.247亿元，同比增长33.1%；税后净利润从2024财年的1340万元增长至4270万元，同比增长219.9%。收入和净利润的大幅增长归功于三大核心业务板块的扩张，包括（一）栽培和供应，（二）产品创新和食品生产，以及（三）回收和循环利用。

尽管新生产工厂新增的机器和设备未完全投入使用，导致管理费用增加，但我们仍然取得了令人欣喜的业绩。我们采取了专注于高利润产品的战略，从而抵消了这些成本。毛利润同比增长41.5%，从2024财年的人民币1.021亿元增至2025财年的人民币1.444亿元，综合毛利率从2024财年的32.0%增至2025财年的34.0%。

在2025财年，我们产生了与发行供股和认股权证相关的人民币110万元的一次性支出，以及包括6,100万股业绩股票在内的非现金员工补偿，共计人民币660万元。剔除这些一次性支出，集团净利润将达到人民币5040万元，比2024财年同比增长276.1%。

优化能力，提升价值

日益增强的可追溯性意识以及日益增长的食品安全、粮食安全和饲料安全需求，对紫心集团而言意义非凡。紫心致力于通过打造甘薯产业价值链的闭环循环经济，应对农业挑战并降低风险。目前的实施仅仅是我们努力的开始。

在我们持续改进流程和产品，以配合我们核心业务板块的扩张计划的同时，我们也诚邀更多利益相关方加入我们的循环经济业务平台。该平台将根据甘薯供应链中的业务运营情况，促进第三方服务的使用，包括智能仓储、农业废弃物处理和发酵。我们相信，他们的参与不仅能优化我们的红薯循环经济产业价值链模式，提升其能力和价值，还能促进连城县甘薯农业的转型，促进当地居民生活的稳定和可持续发展。

除了紫心集团在连城县的基地外，我们将逐步在海南省临高县复制甘薯产业链，以响应国家发展战略。我们相信，该项目不仅有助于提高临高县的生产力，刺激经济增长，还能促进紫心集团的可持续发展，实现互利共赢。

致谢与赞赏

我对各位董事在过去一年中给予的宝贵指导和贡献表示感谢。

我谨代表董事会，向紫心集团全体成员的奉献和努力表示感谢。我们也衷心感谢紫心集团业务合作伙伴、客户和股东们的坚定支持和耐心。

随着我们计划中的扩张取得进展，我们也期待有机会在中国和海外复制我们的商业模式，以应对人们日益关注的食品安全、粮食安全和饲料安全问题。我们决心为每个人的生活带来积极的改变。

梁承旺
执行主席兼首席执行官

参考文献

1 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)

ZIXIN GROUP STRUCTURE

ZIXIN GROUP HOLDINGS
紫心集团控股

ZIXIN GROUP HOLDINGS LIMITED
紫心集团控股有限公司

ZIXIN INTERNATIONAL PTE. LTD.
紫心国际私人有限公司

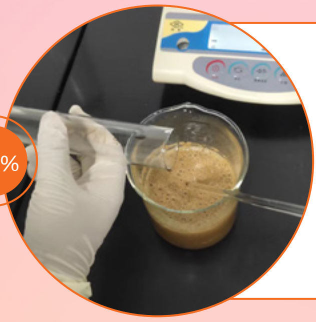
100%

ZIXIN ENTERPRISE (SINGAPORE) PTE. LTD.
紫心企业(新加坡)私人有限公司
Wholesale trading and distribution for overseas markets

100%

FUJIAN ZIXIN BIOTECHNOLOGICAL SWEET POTATO CO., LTD.
福建紫心生物薯业有限公司
R&D on sweet potato uses and applications to complement cultivation and manufacturing functions of the industrial value chain.
甘薯用途和应用进行研发，以辅助产业价值链的栽培和制造功能。

100%



FUJIAN ZIXIN FUNGAL BIOTECHNOLOGY CO., LTD.
福建紫草生物科技有限公司
R&D for recovery and recycling of agricultural waste materials into nutritional feed ingredients for poultry and livestock, and production solutions and techniques for feed manufacturers.
研发将农业废料回收和再循环成家禽和牲畜的营养饲料成分，以及饲料制造商的生产解决方案和技术。

100%

FUJIAN ZILAOHU FOOD CO., LTD.
福建紫老虎食品有限公司
Product innovation for snack food and functional food, as well as R&D on production process to maximise nutrient retention and production efficiency. Strengthen market position of proprietary brands and establish distribution channel platforms.
休闲食品和功能性食品的产品创新，以及生产工艺的研发，以最大限度地保留营养成分和提高生产效率。加强自主品牌的市场地位，建立分销渠道平台。

100%

LIANCHENG DIZHONGBAO MODERN AGRICULTURE DEVELOPMENT CO., LTD.
连城县地中宝现代农业发展有限公司
R&D and cultivation of proprietary sweet potato varieties, and sale of sweet potato seedlings, cultivation solutions, management services, and fresh sweet potatoes.
研发和培育专有甘薯品种，销售甘薯种苗、栽培解决方案、管理服务和新鲜甘薯。

BUSINESS OPERATIONS

Zixin Group Holdings Limited (“**Zixin**” or the “**Company**” and together with our subsidiaries, “**Zixin Group**”) is committed to driving growth in our biotech sweet potato integrated circular economy industrial value chain. We aim to enhance economies of scale as we broaden our operational base beyond Liancheng County, Fujian Province.

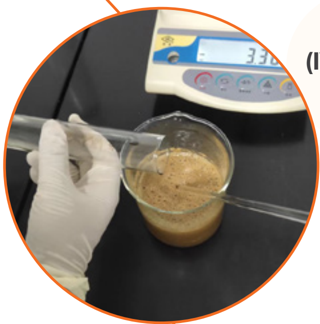
Our core proprietary biotech competencies focus on the research and development (**“R&D”**) of nutrient retention, along with extraction and production techniques. These techniques aim to optimise the uses and applications of the sweet potato varieties and functional food products to enhance human health. Additionally, we collaborate with research institutes to develop proprietary probiotic solutions and poultry feed formulations, utilising the probiotic solutions as a medium in the fermentation process to convert sweet potato agricultural waste into nutritious feedstock. This feedstock, in turn, will become nutritious feed for animals and poultry, which will help improve their health.

Our R&D fundamentals will continue to underpin organic growth across Zixin Group’s integrated circular economy industrial value chain through the following key business segments:

(I) **Cultivation and Supply** – (i) R&D on sweet potato varieties to produce quality seedlings and identify those best suited to different soil types and climates; (ii) cultivation techniques and solutions aimed at improving the quality and yield of sweet potatoes in farmlands; (iii) seedlings nursery base to produce and supply quality seedlings; and (iv) supply of fresh sweet potatoes;

(II) **Product Innovation and Food Production** – (i) innovation of snack food and functional food products and production techniques; and (ii) application of production techniques designed to optimise nutrient retention and produce healthier proprietary branded products for consumers;

(III) **Brand Building, Marketing, and Distribution Channel Building** – strengthen market awareness and position of proprietary brands of healthier snacks and functional food through targeted marketing campaigns and various distribution platforms, including traditional and e-commerce throughout China and overseas markets, as well as bolster brand equity by licensing third parties to use our proprietary brands, such as the retail concept outlet “shu gong fang” (薯工坊);



(IV) **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 discarded sweet potatoes, sweet potato peels, stems and leaves into raw ingredients that could potentially be part of the poultry and animal feeds.

Our integrated closed-loop circular economy industrial value chain business model creates a natural ecosystem that (i) delivers quality and nutritional value to both humans and farm animals through their food sources; (ii) enhances the livelihoods of traditional farmers in the agriculture sector; and (iii) reduces environmental pollution by recovering and recycling agricultural waste.

I. Cultivation and Supply

Zixin Group’s C&S business focuses on (i) the cultivation, management, and supply of quality sweet potato seedlings; (ii) providing farming solutions and techniques, including cultivation technical support and the supply of specialised agricultural materials; and (iii) the sale of fresh orange and purple sweet potatoes sourced from our contracted farmlands, where we provided the seedlings, farming solutions and technical support.

BUSINESS OPERATIONS

Zixin Group has a dedicated seedlings cultivation area of 300 mu (approximately 200,001 m^2 or 20 hectares).

Before commencing cultivation, it is essential to undertake soil improvement efforts. In FY2024, Zixin Group not only fulfilled its 8,268.6 mu (approximately 5,512,427.6 m^2 or 551.2 hectares) of contracted farmland designated for cultivating and producing selected orange and purple sweet potato varieties in Liancheng County, utilising the 100 mu seedlings nursery base, but also recorded sale of surplus seedlings to local farmers in the vicinity.

In FY2025, the seedling cultivation area has been expanded from 100 mu to 200 mu to support the new planting season, which runs from March to July 2025. Furthermore, Zixin Group aims to increase its seedling cultivation area from 200 mu to 300 mu in FY2026, contingent upon the completion of soil improvement work. To ensure a sufficient supply of sweet potato seedings for Zixin Group's contracted farmers, the expansion would not only guarantee this supply but also enhance Zixin Group's ability to sell surplus seedlings to local farmers in the mid- to long-term.

Zixin Group intends to lease an additional land area of 131.2 mu (approximately 87,466.7 m^2 or 8.7 hectares) for further expansion of the seedlings nursery.

Our primary objective in cultivating sweet potato seedlings and developing in-house cultivation solutions is to ensure traceability, food safety, and a consistent supply of high-quality sweet potatoes. This strategy aims to improve harvest yields and support our Group's sales of fresh sweet potatoes, as well as enhance our higher-margin snack food and functional food manufacturing operations for our range of proprietary products.

Zixin Group's suite of cultivation solutions, including soil improvement, fertilizers, and patented varieties of sweet potato seedlings, are also provided to assist other individual farmers to increase their crop yields and produce high-quality fresh orange and purple sweet potatoes.

Furthermore, the outsourced services provided by the smart warehouse, which include automated sweet potato washing, sorting, packing, and cold storage, continue to enhance Zixin Group's front-end operational efficiency and reduce spoilage. This, in turn, leads to a higher volume of fresh sweet potatoes being available for sale, which have an extended shelf life and thereby lessen price competition during harvesting season.

ii. Product Innovation and Production

Zixin Group is committed to continually innovating products and improving production techniques of our mainstay sweet potato processed products, including snacks and functional products, to keep abreast of consumers' preferences.

We continue to keep ourselves abreast of consumer preferences and snack food trends in China and overseas and invest in R&D on the recipes as well as production techniques for higher-nutrition snack foods and functional food products. These efforts will not only broaden our product portfolio and strengthen our market position for healthier and higher-nutrition food products, but they could also potentially generate higher revenue for Zixin Group.

While we outsource some of our lower-margin snack products to snack food processing manufacturers, we continue to upgrade our production lines to produce higher-margin snack products in-house and raise efficiency through increased automation. The upgrading of production lines at our existing production facility increased our installed annual production capacity for processed sweet potato snack products from 13,440 tonnes in FY2024 to 13,700 tonnes in FY2025.

Zixin Group has been progressively expanding production capacity and broadening our product range with the newly developed high-tech manufacturing facility, which is sitting on 83.6 mu (approximately 55,733.3 m^2 or 5.6 hectares) of land. The high-tech manufacturing facility, when fully completed, will have a total built-up area of 86,000 m^2 and an installed annual production capacity of 35,000 tonnes, which will be carried out in three phases. Upon full completion, this intended expansion is likely to increase our existing production capacity of 13,700 tonnes by approximately 2.6 times.

BUSINESS OPERATIONS

Three automated production lines have been installed at the new high-tech manufacturing facility, which spans 22,800 m^2, as part of phase one of the capacity expansion. These lines, intended to produce higher-margin products, including natural-flavoured, additive-free vacuum-packed steamed fresh sweet potatoes and nutritious orange peel sweet potato gummies, are expected to be progressively commissioned in the second half of FY2026. Among the functional food products are both orange and purple sweet potato powders, which are also referred to as single-cell sweet potato powders. These products are expected to achieve a higher composite gross margin of approximately 35%-40% compared to the current product range, which holds a gross margin of about 28%-30%, subject to fluctuations of raw material costs. The increase in margin is primarily attributed to the use of advanced technological methods that involve minimal processing, facilitating the production of higher nutritional value products made from premium quality sweet potatoes. This strategy is in line with consumer demand for healthy, nutritious, and convenient options.

The additive-free vacuum-packed steamed fresh sweet potato, a selected sweet potato variety, is one of Zixin Group's popular sweet potato products and serves as a convenient food option. The controlled environment storage services by the smart warehouse will enable Zixin Group to develop new, healthy, and high-quality sweet potato products for consumers.

III. Brand Building, Marketing and Distribution and Channel Building

Zixin Group's brand building, marketing and distribution and channel building initiatives include the adoption of e-commerce, online sales platforms, and video marketing strategies such as "live-streaming" complements our entrenched distribution network and channels, providing our distributors and consumers with alternative options, and allowing us to engage with our consumers through more targeted marketing campaigns and distribution channels.

We are dedicated to expanding our distribution network to offer our patented fresh sweet potato varieties and high-nutrition sweet potato snacks and functional products to a wider consumer base both in China and internationally. Additionally, we intend to bolster brand equity by licensing third parties to use our proprietary brands, including the sweet potato concept retail outlet "shu gong fang", which aims to cater to local consumers and establish a specialised sales channel for sweet potatoes and their wide variety of processed products.

IV. Recovery and Recycling

As an integrated sweet potato industrial value chain operator, Zixin Group anticipates that the costs and efforts related to the disposal of agricultural waste will rise in tandem with the expansion of our cultivation base and the volume of processed sweet potato snack products. Therefore, our recovery and recycling initiatives are equally significant to our growth in upstream cultivation and production.

The growing awareness of "you are what you eat" is driving demand for healthier food choices and could also be one of the motivating factors for feed manufacturers to use probiotic-infused fermented sweet potato feedstock as a supplement to the animal and poultry feeds. The animal and poultry feeds produced with probiotic-infused fermented sweet potato feedstock derived from agricultural waste are targeted to improve the digestive health of poultry and livestock, which potentially increases their survival rate and improves their wellness. This agriculture waste-derived feedstock, in turn, will boost the income of agricultural owners.

Zixin Group utilises proprietary probiotic fermentation solutions and production techniques that not only demonstrate biotechnology proficiency in innovating agricultural waste management and reducing environmental pollution but also enhance the nutritional benefits of sweet potatoes for poultry and farm animals. This, in turn, positively influences human health.

OUR GROWTH STRATEGY

Over the last decade, Zixin Group has focused on the construction of an integrated closed-loop circular economy sweet potato industrial value chain in Liancheng County, Fujian Province, China. The industrial value chain integrates business segments involved in both upstream and downstream operations.

To further enhance the workings of the closed-loop circular economy sweet potato industrial value chain, as well as to address agricultural challenges and mitigate risk, we worked with the local authorities to attract third-party operators in the areas of their expertise to support the sweet potato industry in Liancheng County. In recent years, the Chinese government's emphasis and support on food safety, food security, and feed security have increased, enabling Zixin Group to accelerate our pace of our integrated closed-loop circular economy sweet potato industrial value chain.

BUSINESS OPERATIONS

Zixin Group has enhanced our front-end operational efficiency by outsourcing the services of automated sweet potato washing and sorting, as well as controlled environment storage, which is managed by a third-party smart warehouse operator. This approach improves efficiency, reduces the reliance on manual labour for washing and sorting, minimises spoilage, enhances the quality and content of sweet potatoes, and prolongs their shelf lives.

Our revenue growth from the sale of fresh sweet potatoes to supermarkets and e-commerce sales platforms is a testament to this advanced technology of processing and storage compared to the traditional method of storing sweet potatoes in cellars. We believe that this outsourced processing service improves the standardisation of fresh sweet potato products, minimises the risk of rotting, and optimises inventory management for this perishable product.

The circular economy of the sweet potato industrial value chain is completed through our strategic collaboration with a third-party fermentation plant operator, who works in conjunction with the designated sweet potato agricultural waste collector in Liancheng County. We outsource the fermentation and production of the probiotic-infused fermented sweet potato feedstock, concentrating on supplying our proprietary probiotic solutions and technical support to the fermentation plant. This arrangement enables the processing of agricultural waste, beginning with sweet potato peels, into feedstock for sale to poultry farm owners.

We believe that integrating our recovery and recycling segment into the industrial value chain effectively addresses two significant issues: (i) the disposal of agricultural waste and the environmental pollution caused by discarded sweet potatoes, peels, stems, and leaves; and (ii) the security and sustainability of animal feeds by offering poultry and animal feed manufacturers an alternative feedstock that can help lessen their dependence on soymeal and corn.

While we have completed the closed-loop circular economy of our integrated sweet potato industrial value chain in FY2025, these recent developments are still at their early stages. We will continue to progress with our planned expansion across our core business segments, including (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 along with the initiation of the third-party fermentation plant operations to enhance our sale of probiotic-infused fermented sweet potato feedstock in Liancheng County.

We believe that our expansion plans are likely to optimise Zixin Group's growth potential as we refine our circular economy business platform with stakeholders in the sweet potato industry in Liancheng County. With the backing of complementary industries, such as smart warehousing and agricultural waste fermentation, we are confident that our success will drive transformation within the sweet potato agriculture sector, leading to stability and sustainability in the lives of farmers.

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)

The impending replication of Zixin Group's integrated 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.

业务运营

紫心集团控股有限公司（“**紫心** ”或 “**公司**”，与我们的子公司统称“**紫心集团**”）致力于推动我们的生物科技甘薯综合循环经济产业价值链的增长。我们的目标是在扩大福建省连城县以外的运营基地的同时，提高规模经济效益。

我们的核心专有生物技术能力侧重于营养保留、提取和生产技术的研究与开发（“**研发**”）。这些技术旨在优化甘薯品种和功能性食品的用途和应用，以增进人类健康。此外，我们还与研究机构合作开发专有的益生菌解决方案和家禽饲料配方，利用益生菌解决方案作为发酵过程中的媒介，将甘薯农业废料转化为营养丰富的原料。这种原料反过来将成为动物和家禽的营养饲料，有助于改善它们的健康状况。

我们的研发基础将通过以下主要业务板块，继续支撑紫心集团完整循环经济产业价值链的有机增长：

(I) **栽培和供应：**（一）研发甘薯品种，培育优质种苗，确定最适合不同土壤类型和气候的品种；（二）旨在提高农田甘薯质量和产量的栽培技术和解决方案；（三）育苗基地，培育和供应优质种苗；（四）供应新鲜甘薯；

(II) **产品创新和食品生产：**（一）休闲食品和功能食品产品及生产技术的创新；（二）生产技术的应用，旨在优化营养保留，为消费者生产更健康的专有品牌产品；

(III) **品牌建设、市场营销和分销渠道建设：**通过有针对性的市场营销活动和各种分销渠道平台，包括遍布中国和海外市场的传统分销渠道和电子商务平台，以及构建“薯工坊”零售连锁平台，加强健康休闲食品和功能食品自主品牌的市场知名度和地位；以及

(IV) **回收和循环利用：**通过专有提取技术研发甘薯皮的营养成分，并利用专有益生菌发酵配方作为媒介，将废弃甘薯、甘薯皮、茎和叶等农业废料转化为有可能成为家禽和动物饲料一部分的原料。

我们的综合闭环循环经济产业价值链业务模式创造了一个自然生态系统，（一）通过食物来源为人类和农场动物提供优质营养价值；（二）提高农业传统农民的生计；（三）通过回收和循环利用农业废料减少环境污染。

I 栽培和供应

紫心集团的栽培和供应业务主要专注于：（一）培育、管理和供应优质甘薯种苗；（二）提供种植解决方案和技术，包括种植技术支持和专业农资供应；（三）销售来自我们提供种苗、种植解决方案和技术支持的承包农田的新鲜橙色和紫色甘薯。

紫心集团拥有300亩（约200,001平方米或20公顷）专用育苗种植区。

在开始培育之前，必须进行土壤改良工作。2024财年，紫心集团利用100亩育苗基地，不仅完成了供应在连城县8,268.6亩（约5,512,427.6平方米或551.2公顷）的承包耕地，用于种植和生产选定的红和紫薯品种，而且还记录了向附近当地农民出售剩余种苗的情况。

2025财年，育苗面积从100亩扩大到200亩，以支持2025年3月至7月的新种植季节。此外，紫心集团还计划在土壤改良工作完成后，于2026财年将育苗面积从200亩扩大到300亩。为确保紫心集团签约农户有充足的甘薯种苗供应，扩大种植面积不仅能保证供应，还能增强紫心集团中长期向当地农户出售剩余种苗的能力。

紫心集团拟再租赁131.2亩土地（约87,466.7平方米或8.7公顷），用于进一步扩大育苗面积。

我们培育甘薯秧苗和开发内部栽培解决方案的主要目的是确保可追溯性、食品安全和优质甘薯的稳定供应。这一战略旨在提高收获量，支持本集团的新鲜甘薯销售，并加强利润率较高的休闲食品和功能食品生产业务，以生产本集团的一系列专有产品。

紫心集团还向市场推出土壤改良、肥料、专利甘薯苗研发等全套种植解决方案，帮助其他个体农户提高作物产量，生产出优质的新鲜红和紫薯。

此外，智能仓库提供的外包服务，包括甘薯自动清洗、分拣、包装和冷藏，不断提高紫心集团的前端运营效率，减少损耗。这反过来又增加了生鲜甘薯的销售量，延长了生鲜薯的保质期，从而减少了收获季节的价格竞争。

业务运营

II　产品创新和食品生产

紫心集团致力于不断创新生产品。提高主打甘薯加工产品（包括休闲食品和功能性产品）的生产技术，以满足消费者的喜好和提高生产效率。

我们将继续紧跟国内外消费者的喜好和休闲食品的发展趋势，投资研发高营养休闲食品和功能性食品的配方和生产技术。这些努力不仅将拓宽我们的产品组合，加强我们在更健康、更高营养食品方面的市场地位，还可能为紫心集团带来更高的收入。

虽然我们将部分利润率较低的休闲产品外包给休闲食品加工制造商，但我们仍在继续升级生产线，在公司内部生产利润率较高的零食产品，并通过提高自动化程度来提高效率。对现有生产设施的生产线进行升级后，我们加工甘薯零食产品的年装机容量从2024财年的13,440吨增至2025财年的13,700吨。

紫心集团正在逐步扩大我们的生产能力，并通过新开发的高科技生产设施拓宽我们的产品范围，该设施占地83.6亩（约55,733.3平方米或5.6公顷）。高科技生产设施的总建筑面积为86,000平方米，年装机容量为35,000吨，将分三期进行。扩建工程全部竣工后，我们现有的13,700吨生产能力将提高约2.6倍。

作为第一阶段产能扩张的一部分，占用2,800平方米的新高科技生产设施已安装了三条自动化生产线。这些生产线旨在生产利润率更高的产品，包括天然风味、无添加剂的真空包装蒸鲜甘薯和营养丰富的橙皮甘薯软糖，预计将于2026财年下半年逐步投入使用。功能性食品包括红和紫薯粉，也称为单细胞薯粉。与目前毛利率约为28%-30%（受原材料成本波动影响）的产品系列相比，这些产品的综合毛利率预计将提高约35%-40%。毛利率提高的主要原因是采用了先进的技术方法，将加工过程减少到最低程度，从而有利于用优质甘薯生产营养价值更高的产品。这一战略符合消费者对健康、营养和方便选择的需求。

无添加真空包装蒸鲜甘薯是紫心集团精选的甘薯品种，是紫心集团广受欢迎的甘薯产品之一，也是一种便捷的食品选择。智能仓库提供的可控环境储存服务将使紫心集团能够为消费者开发出新的、健康的、高品质的甘薯产品。

III　品牌建设、市场营销和分销渠道建设

紫心集团的品牌建设、市场营销、分销和渠道建设举措包括采用电子商务、在线销售平台和视频营销策略（如“直播”），与我们根深蒂固的分销网络和渠道形成互补，为我们的分销商和消费者提供其他选择，并使我们能够通过更有针对性的营销活动和分销渠道与消费者互动。

我们致力于扩大分销网络，向中国和国际上更广泛的消费群体提供我们的专利新鲜甘薯品种和高营养甘薯零食及功能性产品。此外，我们计划授权第三方使用我们的自有品牌，包括甘薯概念零售店“薯工坊”，以提升品牌价值。该店旨在满足本地消费者的需求，并建立一个专业化甘薯及其各种加工薯产品的销售渠道。

IV　回收和循环利用

作为甘薯产业价值链的综合运营商，我们预计，随着种植基地的扩大和甘薯休闲食品加工产品的增加，处理农业废料的成本和工作量也将随之增加。因此，我们的回收和循环利用措施对于我们上游种植和生产的增长同样重要。

人们越来越意识到“民以食为天”，这推动了人们对健康食品的需求，也是促使饲料生产商使用添加益生菌的发酵甘薯原料作为畜禽饲料添加剂的因素之一。使用从农业废料中提取的益生菌发酵甘薯原料生产的畜禽饲料旨在改善家禽和牲畜的消化系统健康，从而有可能提高它们的存活率并改善它们的健康状况。反过来，这种从农业废料中提取的原料也将增加农业所有者的收入。

紫心集团利用专有的益生菌发酵解决方案和生产技术，不仅在创新农业废料管理和减少环境污染方面展示了生物技术的精湛，而且还提高了甘薯对家禽和农场动物的营养价值。这反过来又对人类健康产生积极影响。

业务运营

我们的增长策略

在过去十年中，紫心集团一直致力于在中国福建省连城县建设一条完整的闭环循环经济甘薯产业价值链。该产业价值链整合了上下游业务环节。

为进一步提升甘薯闭环循环经济产业价值链的运作水平，解决农业难题，降低风险，我们与当地政府合作，吸引第三方经营者在其擅长的领域为连城县的甘薯产业提供支持。近年来，中国政府对食品安全、粮食安全和饲料安全的重视和支持力度不断加大，这使得紫心集团加快了一体化闭环循环经济甘薯产业价值链的步伐。

紫心集团通过外包甘薯自动清洗和分拣以及受控环境储存服务，提高了我们的前端运营效率，并由第三方智能仓库运营商进行管理。这种方法提高了效率，减少了清洗和分拣对人工的依赖，最大限度地降低了损耗率，提高了生鲜薯的质量和含量，延长了生鲜薯的保质期。

我们向超市和电子商务销售平台销售生鲜薯的收入增长证明，与传统的生鲜薯地窖储存方法相比，我们采用了先进的加工和储存技术。我们相信，这种外包加工服务提高了生鲜薯产品的标准化程度，最大限度地降低了腐烂的风险，并优化了这种易腐产品的库存管理。

甘薯产业价值链的循环经济是通过我们与第三方发酵厂运营商的战略合作完成的，该运营商与连城县指定的甘薯农业废弃物收集商合作。我们将添加益生菌的发酵甘薯原料的发酵和生产外包出去，专注于向发酵厂提供我们专有的益生菌解决方案和技术支持。通过这种安排，我们可以将农业废料（从甘薯皮开始）加工成饲料原料，出售给家禽养殖场业主。

我们相信，将我们的回收和循环利用业务板块整合到工业价值链中，可以有效解决两个重大问题：(一) 农业废料的处理以及废弃甘薯、果皮、茎和叶造成的环境污染；(二) 为家禽和动物饲料制造商提供替代原料，帮助他们减少对豆粕和玉米的依赖，从而实现动物饲料的安全性和可持续性。

虽然我们已于2025财年完成了一体化甘薯产业价值链的闭环循环经济，但这些近期发展仍处于初期阶段。我们将继续推进核心业务板块的扩张计划，包括：(一) 扩大苗圃的种植面积；(二) 在我们的高科技生产基地推广利润率更高的加工甘薯零食和功能性产品；(三) 加强我们的品牌建设、市场营销和分销能力；以及 (四) 利用第三方农业废料收集商的产能扩张以及第三方发酵工厂的启动，提升我们在连城县益生菌发酵甘薯原料的销售。

我们相信，随着我们与连城县甘薯产业利益相关者共同完善循环经济业务平台，我们的扩张计划有望优化紫心集团的增长潜力。凭借智能仓储和农业废弃物发酵等互补产业的支持，我们坚信，我们的成功将推动甘薯农业领域的转型，为农民带来稳定和可持续的生活。

2025年4月7日，中国国务院公布了一项十年规划，概述了到2035年加强粮食安全、实现农业现代化、推动技术创新和促进乡村振兴的几项关键战略。根据该计划，中国还计划到2027年实现粮食总产量达到7亿吨左右，增强主要农作物的自给能力，在种子和机械等农业技术上取得突破，并提升全球竞争力。

（参考文献：China unveils 10-year agricultural master plan, prioritizing food self-sufficiency, agritech innovation https://www.globaltimes.cn/page/202504/1331611.shtml、加快农业强国建设规划（2024－2035）https://www.gov.cn/zhengce/202504/content_7017469.htm）

紫心集团即将在海南省临高县复制的一体化甘薯产业价值链与国家的指示精神不谋而合。我们相信，该项目不仅能提高临高县的生产力，刺激经济增长，还能促进紫心集团的集体可持续发展，实现互利共赢。

FINANCIAL HIGHLIGHTS

For the financial year ended 31 March	2025	2024 (restated)	2023	2022	2021
INCOME STATEMENT (RMB'000)					
Revenue	**424,680**	319,010	219,600	289,132	285,474
Gross profit	**144,377**	102,059	59,219	77,611	69,616
Profit / (Loss) before tax	**55,101**	21,465	(9,428)	5,911	(13,002)
Net profit / (loss) after tax	**42,720**	13,354	(14,190)	3,652	(12,676)
BALANCE SHEET (RMB'000)					
Shareholders' equity	**575,567**	513,932	499,921	514,005	453,915
Total assets	**711,350**	612,828	587,276	568,628	515,726
Total liabilities	**135,783**	98,896	87,355	54,623	61,811
Net asset value	**575,567**	513,932	499,921	514,005	453,915
Net tangible asset value	**504,643**	444,490	424,637	476,937	416,628
PER SHARE (RMB CENTS)					
Basic earnings (1)	**2.75**	0.97	(1.03)	0.34	(1.98)
Net asset value (2)	**36.22**	37.14	36.13	37.14	51.36
Net tangible asset value (2)	**31.75**	32.12	30.69	34.47	47.14
FINANCIAL RATIOS					
Return on equity (3)	**7.84%**	2.63%	(2.80)%	0.75%	(2.63)%
Return on assets (4)	**6.45%**	2.23%	(2.46)%	0.67%	(2.36)%
Net gearing ratio (5)	**(18.82)%**	(19.00)%	(31.68)%	(31.46)%	(35.93)%

Notes:

(1) Basic earnings per share was computed based on the weighted average number of approximately 1.6 billion shares for FY2025, 1.4 billion shares for FY2024 and FY2023, 1.1 billion shares for FY2022 and 640.7 million shares for FY2021.

(2) Net asset value per share and net tangible asset per share were computed based on the number of approximately 1.6 billon shares for as at 31 March 2025, 1.4 billion shares for as at 31 March 2024, as at 31 March 2023 and as at 31 March 2022, and 883.8 million shares for as at 31 March 2021.

(3) Return on equity was computed based on net profit attributable to owners of the Company as a percentage of average shareholders' equity.

(4) Return on assets was computed based on net profit attributable to owners of the Company as a percentage of average total assets.

(5) Net gearing ratio was computed based on total bank borrowings less cash as a percentage of shareholders' equity.

PERFORMANCE REVIEW

Zixin Group Holdings Limited ("**Zixin**" or the "**Company**" and together with its subsidiaries, "**Zixin Group**") achieved a net profit after tax 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 ("**FY2025**"). The significant growth 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.

During FY2025, Zixin Group successfully implemented the sweet potato circular economy industrial value chain, in conjunction with the supporting industries of smart warehousing and the fermentation of agricultural waste into feedstock for poultry feeds. The upstream operations of Zixin Group's biotech-focused sweet potato industrial value chain, which include the production and sale of seedlings, fresh sweet potatoes, and processed sweet potato products, demonstrated commendable growth in the year under review.

Revenue from the C&S segment recorded a marked increase in the production and sale of sweet potato seedlings and fresh sweet potatoes, accounting for approximately 0.3% and 23.5% of the total revenue, respectively. The rise in revenue from sweet potato seedlings resulted from the expansion of the seedlings nursery, which grew from an initial size of 100 mu to 200 mu. This expansion enabled Zixin Group not only fulfil contracted farmland requirements but also provide surplus capacity for sales to external parties. Furthermore, the outsourced services provided by the smart warehouse, which include automated sweet potato washing, sorting, packing, and cold storage, continue to enhance Zixin Group's front-end operational efficiency and decrease spoilage. This, in turn, leads to a higher volume of fresh sweet potatoes being available for sale, which have an extended shelf life and thereby alleviate price competition during harvesting season.

Revenue from the PIFP segment, which primarily encompasses sweet potato processed products, rose by 24.1% year-on-year, increasing from RMB 260.3 million in FY2024 to RMB 323.0 million in FY2025. This growth can be attributed to (i) the introduction of new products, including sweet potato crisps and fries, as well as additive-free, vacuum-packed steamed sweet potatoes, (ii) a 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 cold storage solution also applies to processed sweet potato products, which can be produced and sold as semi-processed items for other food processing manufacturers, in addition to the snack products intended for direct consumption.

The additional revenue stream that originated in the R&R segment was contributed by the sale of probiotic-infused fermented sweet potato feedstock derived from agricultural waste, primarily sweet potato peels, in the second half of FY2025.

REVENUE ANALYSIS BY REPORTABLE SEGMENTS AND PRODUCTS

FYE 31 March (RMB '000)	FY2025 (audited)		FY2024 (restated)		VARIANCE
Cultivation & Supply ("C&S")					
Fresh sweet potatoes	99,987	23.5%	58,099	18.2%	72.1%
Sweet potato seedlings	1,221	0.3%	563	0.2%	116.9%
Product Innovation & Food Production ("PIFP")					
Sweet potato processed products	323,027	76.1%	260,348	81.6%	24.1%
Recovery & Recycling ("R&R")					
Fermented sweet potato feedstock	445	0.1%	-	-	N.M.*
Total	**424,680**	**100.0%**	**319,010**	***100.0%***	**33.1%**

* N.M. denotes not meaningful.

PERFORMANCE REVIEW

Zixin Group's gross profit increased by 41.5% year-on-year, from RMB 102.1 million in FY2024 to RMB 144.4 million in FY2025, mainly due to an increase in overall sales. Correspondingly, the composite gross margin increased from 32.0% in FY2024 to 34.0% in FY2025, 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.

Interest income increased by approximately RMB 0.5 million or 65.5% year-on-year from RMB 0.7 million in FY2024 to RMB 1.2 million in FY2025. The increase in interest income was mainly due to the increase in interest received from banks on the back of an increase in average cash and bank balances held by Zixin Group in FY2025 as compared to FY2024.

Other income decreased by approximately RMB 84,000 or 20.5% year-on-year from RMB 410,000 in FY2024 to RMB 326,000 in FY2025. The other income includes incentives from e-commerce platforms and proceeds from brand licensing.

Other gains, mainly tax incentives received from local authorities, amounted to RMB 660,000 in FY2025, compared to none in FY2024.

Marketing and distribution costs decreased by approximately RMB 5.1 million, representing a 14.8% reduction year-on-year, from RMB 34.4 million in FY2024 to RMB 29.3 million in FY2025. This decline was mainly due to a reduction in operating expenses amounting to RMB 5.8 million and a decrease in employee benefit expenses of RMB 1.0 million. However, these reductions were partially offset by the increases in various costs, including delivery charges of RMB 0.8 million, exhibition expenses of RMB 0.7 million, publicity expenses of RMB 0.5 million and entertainment expenses of RMB 0.3 million.

Administrative expenses increased by approximately RMB 15.7 million or 36.9% year-on-year, from RMB 42.5 million in FY2024 to RMB 58.2 million in FY2025. The increase can be attributed to higher operating costs, including amortisation of intangible assets of RMB 0.6 million, depreciation expenses of RMB 5.3 million, seedlings nursery fees of RMB 0.5 million, Rights-cum-Warrants Issue expenses of RMB 1.1 million, research and development expenses of RMB 1.8 million, and staff compensation related to performance shares of RMB 6.6 million. These increases were partially offset by reductions in the audit fee of RMB 0.4 million, office expenses of RMB 0.4 million, the secretary fee of RMB 0.4 million, and travelling expenses of RMB 0.2 million.

Other losses, which include sponsorship of events, write-offs of plant and equipment, and donation expenses, decreased by approximately RMB 1.8 million or 74.3% year-on-year from RMB 2.5 million in FY2024 to RMB 0.6 million in FY2025. The decrease was due to the decrease in donation expenses and property, plant and equipment written-off.

Finance costs increased by approximately RMB 1.0 million or 41.6% year-on-year from RMB 2.3 million in FY2024 to RMB 3.3 million in FY2025. The increase was mainly due to the increase in interest charged on the additional bank borrowings in FY2025.

Income tax expense increased by approximately RMB 4.3 million or 52.6% year-on-year from RMB 8.1 million in FY2024 to RMB 12.4 million in FY2025. Higher income tax expenses were in line with higher profits generated in FY2025.

Taking into account the operating, finance and tax expenses, Zixin Group recorded a net profit after tax of RMB 42.7 million in FY2025, an increase of 219.9% year-on-year from RMB 13.4 million in FY2024.

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.

PERFORMANCE REVIEW

Zixin 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.

Zixin Group's non-current assets increased by 0.9% year-on-year, from RMB 337.4 million as at 31 March 2024 to RMB 340.5 million as at 31 March 2025. The increase was attributable to:

(i) the increase in property, plant and equipment ("**PPE**") of 14.4% to RMB 201.0 million resulted from additions of plant and machinery, as well as renovations for the new manufacturing facilities. The increase was partially offset by depreciation expenses and PPE written off in FY2025;

(ii) an increase in intangible assets of 2.1% to RMB 70.9 million. The increase was primarily due to addition of right-of-use assets and manufacturing patents and partially offset by the amortisation in FY2025; and

(iii) the increase in investment of RMB 0.9 million in unquoted shares of Hainan Xinwei Land Development Co., Ltd. to RMB 1.8 million in FY2025, resulting from the request for an additional pro-rata capital injection.

The increase was partially offset by a decrease of 26.9% in other assets, non-current to RMB 66.8 million, comprising mainly upfront payments to the Co-operatives for the long-term supply contracts of fresh sweet potatoes. The decline resulted from the utilisation of upfront payments against the fresh sweet potato supplies, and resulted in the decrease in long term upfront payment or upfront payment over 12 months.

Current assets increased by 34.6% year-on-year, rising from RMB 275.5 million as at 31 March 2024 to RMB 370.8 million as at 31 March 2025. The increase was primarily driven by:

(i) an increase in inventories of 68.7%, amounting to RMB 4.5 million as at 31 March 2025. This was attributed to higher sales orders received in March 2025, resulting in a higher inventory level to fulfil secured orders;

(ii) an increase in trade and other receivables of 70.8%, amounting to RMB 91.9 million as at 31 March 2025. The increase was due to higher sales recorded between January and March 2025 as well as an increase in credit term of 30 to 90 days for regular customers;

(iii) an increase in other assets (current) of 45.2%, amounting to RMB 91.3 million as at 31 March 2025. This was due to increase in prepayment of expenses and advances to Zixin Group's suppliers to ensure the supply of fresh sweet potatoes as raw materials to the Group; and

(iv) an increase in cash and bank balances of 17.3%, amounting to RMB 183.2 million as at 31 March 2025.

Other payables, non-current decreased by 60.4% year-on-year from RMB 6.5 million as at 31 March 2024 to RMB 2.6 million as at 31 March 2025. The decrease was due to the decrease in the remaining duration of lease contract with a service provider.

Zixin Group recorded a 44.2% year-on-year increase in current liabilities, from RMB 92.4 million as at 31 March 2024 to RMB 133.2 million as at 31 March 2025. This increase can be attributed to:

(i) a 77.7% increase in trade and other payables, amounting to RMB 55.7 million as at 31 March 2025, primarily due to higher purchases from suppliers; and

(ii) a 27.9% increase in other financial liabilities, amounting to RMB 74.8 million as at 31 March 2025, which was a result of increased short-term borrowings.

Zixin Group's shareholders' equity, comprising share capital, reserves and retained earnings, increased by 12.0% year-on-year from RMB 513.9 million (equivalent to approximately SGD 91.9 million) as at 31 March 2024 to RMB 575.6 million (equivalent to approximately SGD 102.9 million) as at 31 March 2025.

PERFORMANCE REVIEW

CASH FLOW ANALYSIS

(RMB'000)	FY2025	FY2024	VARIANCE
Net Cash generated from Operating Activities	108,439	66,272	63.6%
Net Cash (used in) Investing Activities	(107,399)	(124,508)	(13.7)%
Net Cash generated from Financing Activities	25,976	8,891	192.2%
Net Cash and Cash Equivalents	183,167	156,151	17.3%

The net increase in cash and cash equivalents in the year under review was mainly due to:

- Net cash generated from operating activities of RMB 108.4 million, comprising positive operating cash flow before changes in working capital of RMB 89.0 million, which was adjusted by the net working capital inflow of RMB 19.4 million. The net working capital inflow represents the increase in cash flow from other assets of RMB 51.1 million and trade payables of RMB 20.5 million, which were offset against the decrease in inventories of RMB 1.8 million, trade and other receivables of RMB 38.3 million and income tax paid of RMB 12.1 million during the financial year under review;

- Net cash used in investing activities amounting to RMB 107.4 million in FY2025 was mainly due to the additions of PPE and interior renovations at the new manufacturing and upfront payments for the short term suppliers of sweet potatoes; and

- Net cash inflow from financing activities in FY2025 was RMB 26.0 million, due to proceeds from Rights-cum-Warrants Issue and new short-term loans, which was partially offset by repayment of bank loans and interest expenses.

CORPORATE DEVELOPMENTS

In FY2025, Zixin Group closed the loop of its biotech-focused sweet potato circular economy industrial value chain with the production and sale of sweet potato 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%20Crispy%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 1,260 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/corporateannouncements/ NXK4WMHUOIP LXEEV /73d3 357ea56a036c1685ca0fd2eec6ef9efc386162512df74d4341425 7db6db3)

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)

In late December 2024, Zixin Group obtains a patented chicken poultry feed formulation transferred from the Institute of Resource Environment and Soil Fertilisation, Fujian Academy of Agricultural Sciences. The patented chicken poultry feed formulation is one of the R&D collaborations between research institute and Zixin Group, with the primary purpose of managing the increasing volume of sweet potato agricultural waste as productivity grows over the years. This poultry feed aims at raising the survival rate of chickens, eliminating residues of veterinary antibacterial drugs, and ultimately making the poultry meat safe for human consumption.

(Reference: Zixin Group Obtains a Patented Chicken Poultry Feed Formulation https://links.sgx.com/FileOpen/ZGHL%20-%20Press%20Release%202024.12.26.ashx?App=Announcement&FileID=828886)

BOARD OF DIRECTORS

MR. LIANG CHENGWANG
Executive Chairman and CEO

Date of first appointment as a director:
22 September 2015

Date of last re-appointment as a director:
30 July 2024

Present Directorships:
Other Listed Companies – Nil
Other Principal Commitments – Nil

Past Directorships in listed companies held over the preceding three years:
Nil

Mr. Liang Chengwang is the Executive Chairman and CEO of the Company. He was appointed to the Board on 22 September 2015 and last re-elected on 30 July 2024.

Mr. Liang is primarily responsible for the oversight and management of the Group's businesses and corporate developments, as well as formulating the overall business and corporate strategies for the Group. He also supervises major financing plans and the appointment of key executives.

He is the co-founder of Fujian Zixin Biotechnological Sweet Potato Co., Ltd. and had previously been engaged in the sweet potato food products business as a general manager of Liancheng Tianhe Food Factory.

Mr. Liang completed his education with the Open University of Fujian in 1998 with a Bachelor in Accounting and Finance and attended the Peking University Strategic Private Equity Investment and Capital Operation Seminar for Chairmen at the Peking University School of Electronics Engineering and Computer Science, Executive Education Center in December 2014.

BOARD OF DIRECTORS

MR. LAWRENCE CHEN TSE CHAU (CHEN SHICHAO)

Non-Executive and Lead Independent Director

Date of first appointment as a director:
26 October 2020

Date of last re-appointment as a director:
8 September 2023

Present Directorships:
Other listed companies
- Sevens Atelier Limited

Other principal commitments
- Managing Partner of Prime Accountants LLP
- Managing Director of Athel Assurance Public Accounting Corporation

Past Directorships in listed companies held over the preceding three years:
N.A.

Mr. Lawrence Chen Tse Chau (Chen Shichao) is the Lead Independent Director of the Company, Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees, respectively. He was appointed to the Board on 26 October 2020 and was last re-elected on 8 September 2023.

Mr Chen is currently serving as directors and audit partner in various companies and partnerships. He has extensive experiences in providing assurance and advisory services to a broad range of clients from traditional trading to digital marketing, crypto currency, Capital Markets Services (CMS) License, hedge funds etc. Past and present clients include companies listed on Singapore Stock Exchange (SGX-ST), New York Stock Exchange (NYSE), National Association of Securities Dealers Automated Quotations (NASDAQ) and Shanghai Stock Exchange (SSE), multinational corporations in Singapore, Malaysia and China. He has also successfully team lead and assisted clients as reporting accountant in Initial Public Offering (IPO) and Reverse Take Over (RTO) on SGX-ST.

He is a Chartered Accountant of Singapore, a fellowship member of Association of Chartered Certified Accountants and a Senior Accredited Director of the Singapore Institute of Directors (SID). Mr Chen obtained a Bachelor of Science in Applied Accounting from Oxford Brookes University.

BOARD OF DIRECTORS

MR. NG POH KHOON
Non-Executive and Independent Director

Date of first appointment as a director:
31 May 2018

Date of last re-appointment as a director:
30 July 2024

Present Directorships:
Other listed companies
- Regal International Group Ltd.

Other principal commitments
- Director of Nexusinnovest Pte Ltd
- Director of 67 Capital Private Limited

Past Directorships in listed companies held over the preceding three years:
- Green Build Technology Limited
- Nutryfarm International Limited

Mr. Ng Poh Khoon is the Non-Executive and Independent Director of the Company, Chairman of the Remuneration Committee and a member of the Nominating and Audit Committees, respectively. He was appointed to the Board on 31 May 2018 and was last re-elected on 30 July 2024.

Mr. Ng is also a Director of various other Singapore companies, including Nexusinnovest Pte Ltd, a company in the acquacultural industry.

He has over 20 years of experience in auditing, financial management, sales & business development, investor relations, fund raising and M&A activities. Mr. Ng is currently also an Independent Director and the Chairman of the Audit Committee of Regal International Group.

Mr. Ng is a member of the Singapore Institute of Directors and an associate member of the Institute of Singapore Chartered Accountants and International Compliance Association, United Kingdom.

MR. XUE CONGYAN
Non-Executive and Independent Director

Date of first appointment as a director:
8 August 2019

Date of last re-appointment as a director:
8 September 2023

Present Directorships:
Other listed companies
- Camsing Healthcare Limited
- Versalink Holdings Limited

Other principal commitments
- Founder of Mundial Financial Group, LLC
- Founder of Beijing Gloryhope Capital (Limited Partnership)
- Managing Director of Go & Company (HK) Limited
- Director of Kunming Kaishi Advertising Limited Liability Company
- Director of Shanxi Huanghe Zhongwang Animation Technology Co., Ltd

Past Directorships in listed companies held over the preceding three years:
N.A.

Mr. Xue Congyan is the Independent Director of the Company, Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees, respectively. He was appointed to the Board on 8 August 2019 and was last re-elected on 8 September 2023.

Mr. Xue has over 16 years of extensive experience in international mergers and acquisitions and corporate finance, having worked in professional capital markets firms including Beijing Chum Investment Corporation and Chardan Capital Markets LLC. He is currently the Managing Director of Go & Company (HK) Limited which he co-founded in April 2012, and has since been providing consultancy work on all aspects of corporate advisory including fundraising, public listings, M&A, and investment management.

Mr. Xue graduated with a Bachelor of Science in Computer Science from Angeles University of the Philippines in 2000, a Master of Science in International Finance (with Merit) from University of Leeds, United Kingdom in 2003, and a Master of Science in Global Finance from HKUST & NYU STERN in 2013.

KEY MANAGEMENT

MR. YI MING
Chief Financial Officer

Mr. Yi Ming joined the Company as Chief Financial Officer on 3 January 2019.

Mr. Yi is responsible for overseeing the Group's accounting and finance functions, including financial reporting, management of the finance team, and reviewing internal controls. He is also responsible for ensuring that the Group is in compliance with the listing and regulatory requirements.

Mr. Yi brings with him more than 17 years of working experience to the Group. He started his career as a Tax Consultant with Liao Ning Jie Xin Certified Accountants Co. Ltd. in 2001, and had accumulated work experience as an Accountant & Supervisor with N. G. Australia Pty. Ltd. and as a Senior Accountant with Ernst & Young, before he was appointed as the Chief Financial Officer in Wave Sync Corp and SSLJ.Com Ltd.

Mr. Yi holds a Bachelors of Science in Accountancy from the School of Business Administration of Liaoning University, and a Master of Science in Accounting and Finance from Victory University in Australia. He is also a Certified Public Accountant in Australia.

MR. JEE MENG KWANG
Group Financial Controller

Mr. Jee is the Group's Financial Controller. He is responsible for the day-to-day operations at the corporate office and is involved in the overall accounting and management reporting of the Group.

Mr. Jee is also involved in internal discussions with the senior management on the Group's business strategies and corporate governance, as well as internal and external audit matters.

Mr. Jee joined the Group in July 2019 as the Group Finance Manager and was promoted to Group Financial Controller on 1 September 2020. Prior to joining the Group, Mr. Jee was the Group Accountant of ecoWise Group of Companies, and had held several positions in various audit firms.

Mr. Jee holds a Bachelor of Accountancy (Hons) from the Universiti Utara Malaysia, and a Matriculation Certificate (Accounting) with first class honours from the College Matriculation of Perlis.

SUSTAINABILITY REPORT

BOARD STATEMENT

The board of directors (the "**Board**") of Zixin Group Holdings Limited ("**Zixin**" or the "**Company**" and together with its subsidiaries, "**Zixin Group**") is pleased to present the annual sustainability report for the financial year ended 31 March 2025 ("**FY2025**").

Zixin Group has successfully implemented a closed-loop system for our biotech-focused sweet potato circular economy, which integrates the industrial value chain. We have secured orders to utilise sweet potato agricultural waste to sell probiotic-infused fermented sweet potato feedstock to farm owners for use in their poultry feeds in FY2025. As we move forward with our planned expansions throughout the industrial value chain in Liancheng County, Fujian Province, we will continue to refine our business model and allow more stakeholders in the sweet potato industry to join us on this circular economy business platform. Additionally, we aim to replicate this circular economy business model in other agricultural regions both within China and internationally.

The Board and our management team remain vigilant regarding the evolving business environment. We consistently oversee and monitor the economic, environmental, social, and governance ("**EESG**") material factors relevant to Zixin Group's industry and operations while validating our sustainability practices. During FY2025, we initiated a preliminary process to assess climate-related risks and opportunities that may impact the sustainability of our business. We aim to enhance our assessments and implement contingency plans and solutions that could further strengthen our business fundamentals. We believe this proactive approach will help us mitigate potential risks during unforeseen circumstances, fostering resilience and long-term growth. We are committed to engaging with stakeholders to ensure our strategies align with their expectations, allowing us to collectively overcome the prevailing challenges.

This sustainability report comprises our EESG performance in FY2025, focusing exclusively on Zixin Group's integrated sweet potato industrial value chain of businesses based in Liancheng County, Fujian Province, China as our Singapore operations primarily handles corporate reporting for the listed company. Although the Group's business activities are predominantly based in China, we remain steadfast in our commitment to uphold our integrity and business ethics, adhering to the relevant rules and regulations of the countries in which we operate and engage in business dealings.

We have updated specific figures included in the sub-sections on (i) resource efficiency and (ii) skills competency and employee training. This update is deemed essential, as we will depend on this information to effectively monitor and evaluate our carbon footprint and the development of our employees' competency.

This sustainability report has been prepared with reference to the 2021 Global Reporting Initiative ("GRI") Sustainability Reporting Standards ("**GRI Standards**") and in compliance with Rules 711A and 711B of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") as well as the Practice Note 7F of the Catalist Rules. We have chosen the GRI framework, as it is a well-known and globally recognised sustainability reporting standard. In view of the latest enhancement to the sustainability reporting regime announced by the SGX-ST on 23 September 2024, the Company endeavours to work towards greater maturity of its climate-related disclosures by incorporating climate-related requirements in the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board ("**ISSB**") for the financial year ending 31 March 2026 ("**FY2026**").

For this sustainability report, we did not seek external assurance. However, the Company's sustainability reporting process has been subjected to internal review.

SUSTAINABILITY REPORT

This sustainability report forms part of the annual report of the Company for FY2025, which is available on the Company's corporate website at www.zixingroup.com.sg and on SGXNet at www.sgx.com/securities/company-announcements.

We would like to express our sincere gratitude to our stakeholders for their continued support. We welcome stakeholders to provide us any feedback and suggestions regarding our sustainability practices, as your insights could enhance our efforts. If you wish to reach out to us, you may contact us at info@zixinshuye.com.

On behalf of the Board

LIANG CHENGWANG
Executive Chairman and Chief Executive Officer

15 July 2025

SUSTAINABILITY REPORT

SUSTAINABILITY GOVERNANCE

At Zixin Group, we prioritise sustainability by consistently recognising, monitoring, and managing the potential impact of EESG as well as the associated risks and opportunities within our biotech-focused sweet potato integrated industrial value chain. Our commitment is to foster stable and sustainable growth for our key stakeholders, including employees, business partners, local communities, and customers, over the long term.

We have established a Sustainability Committee ("**SC**") comprising representatives from various departments within the organisation. The SC is overseen by the Executive Chairman and Chief Executive Officer, who updates the Board on findings of any sustainability concerns that are vital to Zixin Group during board meetings for discussion and guidance.

The SC will receive updates on any sustainability concerns related to Zixin Group's day-to-day operations, risks, and opportunities. The SC will assess the concerns raised before presenting its findings to the Board. The Board exercises effective oversight of the SC by reviewing and evaluating the relevance and adequacy of the practices in place to address potential sustainability issues. Furthermore, the Board will integrate these findings into the formulation of strategies and policies designed to better manage the potential sustainability risks and opportunities that Zixin Group may face. This process ensures that all EESG and climate-related matters significant to the businesses are duly considered and effectively addressed.

The Board will review and deliberate on the sustainability issues, while the SC is responsible for ensuring that the EESG factors are continuously monitored and effectively managed. The SC oversees Zixin Group's sustainability performance and material topics, analyses climate-related risks and opportunities, addresses stakeholder concerns, sets targets and goals for material factors and establishes systems to collect, verify, monitor, and report the information required for this sustainability report. The SC meets at least once a year to discuss, propose, coordinate, and promote Zixin Group's sustainability practices.

Sustainability Governance Structure

- Reviews and evaluates sustainability concerns and climate-related risks, ensures the effective implementation of internal policies and practices, meets regulatory compliance, and approves overarching policies and strategies.
- Reviews and evaluates the effectiveness of systems and processes in addressing sustainability issues, including risks and opportunities related to climate change.
- Monitors and reviews the sustainability performance of identified material topics, as well as the potential impacts of climate-related risks and opportunities, and stakeholder concerns.
- Establishes priority areas for sustainability improvements and overall governance.
- Identifies and evaluates material topics, alongside climate-related risks and opportunities, as well as stakeholders' concerns. Sets targets and priorities to advance sustainability initiatives and integrates information to formulate policies and procedures that address operational gaps within the organisation.
- Implements systems and practices throughout the organisation, collecting and monitoring information to evaluate materiality, as well as potential operational risks and opportunities, in order to achieve goals related to the identified material topics.

SUSTAINABILITY REPORT

Stakeholder Engagement

At Zixin Group, we believe that sustainable business operations necessitate regular interaction among stakeholders to align our vision and growth strategies, as well as to cultivate good practices that enable us to progress together. Consequently, we place a strong emphasis on efficient communication with key stakeholders, including employees, business partners, and customers, to collaboratively achieve mutually beneficial goals.

This commitment not only fosters a sense of community, but it also drives innovation and accountability within our organisation. By prioritising these relationships, we aim to create a resilient framework that supports long-term success for all those involved.

Our engagements with both our internal and external stakeholders as summarised in the table below.

STAKEHOLDERS	AREAS OF CONCERNS	COMMUNICATION CHANNELS	OUR ACTIONS
INTERNAL			
Board of Directors	• Ensure that the internal policies and systems are current, effectively implemented and monitored throughout the Group • Compliance with applicable laws and regulations	• Board meetings • Regular updates via electronic communications (emails, phone calls, virtual meetings)	• Regular updates on corporate activities, developments, and financial performance • Seek advice and approvals from the Board on all material proposed developments
Employees	• Career stability and prospect • Training and education opportunities • Competitive salaries and incentives • Pleasant and safe working environment	• Regular internal communications through meetings and electronic communications (emails, phone calls, internal notices) • Employee caring sessions • Corporate recreational activities • Training and development programmes • Performance appraisal • Employee feedback	• Ensure effective implementation of HR policies, internal systems and procedures • Regular internal meetings to review safety and healthy work environment and measures • Conduct relevant training courses and seminars regularly • Formal and informal get-togethers to strengthen working relationships among employees • Annual performance appraisal
EXTERNAL			
Governments and Regulators	• Good governance practices and regulatory compliance • Food safety compliance • Occupational health & safety • Environmental compliance • Socioeconomic compliance • Tax issues	• Meetings • Mails • Electronic communications (emails, phone calls, virtual meetings) • Through external professionals and agencies • Announcements on SGXNet	• Ensure compliance with applicable laws and regulations in respective countries of operations • Regular communication with external professionals and agencies • Meeting relevant authorities when necessary • Regular updates on applicable laws and regulations through seminars and trainings • Ensure all public disclosures are disclosed accurately and timely via official announcements as appropriate

SUSTAINABILITY REPORT

STAKEHOLDERS	AREAS OF CONCERNS	COMMUNICATION CHANNELS	OUR ACTIONS
Customers / Distributors	• Consistent quality and supply of fresh sweet potatoes and processed products • High quality and nutritional standards • Compliance with food safety and environmental standards • Reliability, on-time delivery • Pre- and post-sales services • Competitive pricing • Reasonable payment terms	• Focus group meetings • Market survey on consumer tastes • Regular sales calls and meetings with distributors • "livestreaming" online platforms • Email enquiries • Consumer outreach marketing events	• Active follow-up on customers' preferences • Regular internal meetings to review customer fulfilment and identify new requirements • Provide timely updates include new product launches to customers • Ensure all relevant food safety requirements and standards are met for all fresh and processed products produced and sold
Suppliers / Business Partners	• Timely payment and adherence to agreed terms • Long-term working relationship • Competitive pricing • Quality of goods and services	• Regular interactions with suppliers • Electronic communications (emails, phone calls, virtual meetings)	• Regular review, assessment, and feedback on quality, pricing, delivery lead time, and evolving requirements • Ensure compliance with food safety standards, socioeconomic, environmental laws and regulations, as well as good corporate governance practices • Perform periodic evaluation
Shareholders and investment community	• Financial performance • Industry conditions and prospects • Market presence • Profitability and sustainability • Transparency and corporate governance	• Announcements on SGXNet • Shareholders' general meetings • Annual reports • Company website • Investor relations • Site visits • Electronic communications	• Ensure all public disclosures on corporate results and developments are disclosed accurately and timely via official announcements to provide fair and equitable treatment to all shareholders and investing public • Conduct general meetings with shareholders at least once a year • Ensure sustainable business operations

Materiality Assessment

We conducted an internal review and analysis to assess the pertinence of the material topics in alignment with the latest requirements of the GRI Standards and the Catalist Rules. Our evaluation of materiality was based on the relevance of the material factors to Zixin Group's business operations, along with benchmarking against the industry and companies with similar business operations. The selected material topics were then presented to the Board for review and approval for inclusion in this sustainability report.

SUSTAINABILITY REPORT

We ensure that data is collected in accordance with the selected material topics relevant to our business operations, which facilitates an analysis of our sustainability performance for FY2025. By integrating data collection into our operational activities, we enable regular monitoring and swift responses to any emerging events. We remain focused on material topics that are both pertinent and significant to Zixin Group's operations while also making progress towards compliance with the new reporting standards in the near future.

At Zixin Group, we remain committed to improving our engagement with stakeholder groups concerning the material topics we have identified, particularly as we continue to grow organically through our planned expansion in Liancheng County, Fujian Province. We have initiated an internal dialogue and assessment regarding the potential impacts of climate-related risks and opportunities on our business operations. We will maintain our progressive approach and make the best use of our available resources to improve the disclosures in our upcoming sustainability reports.

The chart below summarises our materiality assessment process for material topics, along with the corresponding GRI Standards referenced in this sustainability report.

Review Material Topics

Review & Analysis

- Review and assess the relevance of material topics
- Monitor and verify data information collected according to the identified material factors for review and analysis
- Identify climate-related risks and opportunities, as well as the potential impact of the risks and opportunities that are of relevance to the Group's business operations

Evaluate & Prioritise Material Topics

Materiality Assessment

- Benchmarking analysis against similar listed companies and/or nature of business
- Evaluate material factors that are of priority to the sustainability of the Group's business
- Conduct internal discussion on potential sustainability issues and potential impact of climate-related risks and opportunities

Validate Material Topics

Report to the Board for advice and review, and obtain approval

- Update and report to the Board on sustainability performance, sustainability issues, update on material factors, and potential impact of climate-related risks and opportunities that are of relevance to the Group's business
- Seek advice and obtain approval

Key Material Topics

ECONOMIC
GRI 201-1, 201-2
- Economic Performance
- Research and Development
- Climate-related risks and opportunities

GRI 204-1
- Suppliers and Business Partners

ENVIRONMENTAL
GRI 302-1, 302-3, 303-3, 303-5, 305-1, 305-2, 305-4
- Resource Efficiency

GRI 306-2
- Waste

SOCIAL
GRI 401-1, 405-1
- Employment, Diversity and Equal Opportunity

GRI 403-1, 403-5, 403-9
- Occupational Health and Safety

GRI 404-1, 404-3
- Skills Competency and Employee Training
- Performance Appraisal

GOVERNANCE
GRI 416-2
- Customer Health and Safety

GRI 2-27
- Regulatory Compliance

SUSTAINABILITY REPORT

MATERIAL TOPIC: ECONOMIC

Economic Performance

GRI 201-1

Zixin Group achieved a 219.9% year-on-year growth in net profit after tax, rising from RMB 13.4 million in FY2024 to RMB 42.7 million in FY2025. This commendable growth was bolstered by a 33.1% year-on-year increase in revenue, which increased from RMB 319.0 million in FY2024 to RMB 424.7 million in FY2025.

The successful implementation of the sweet potato integrated circular economy industrial value chain, combined with support services from the smart warehouse and fermentation plant in FY2025, led to an increased volume and sales of fresh sweet potatoes and processed sweet potato products. Additionally, a new revenue stream was generated from the sale of poultry feedstock derived from agricultural waste.

We believe that the growing awareness of traceability, along with increasing demands for food safety, food security, and feed security, presents a positive outlook for Zixin Group. The closed-loop circular economy for the sweet potato industrial value chain is currently in its early stages. With greater involvement from stakeholders in the sweet potato industry in Liancheng County, it is anticipated that this model will optimise capabilities and enhance value, thereby promoting stability and sustainability for all parties involved.

Please refer to the following sections in the annual report for details on our operations and financial information:

- Business Operations on page 9 to 15
- Financial Highlights on page 16
- Performance Review on page 17 to 20
- Financial Statements on page 90 to 147

The table below provides an analysis of our economic value distributed to various stakeholders, and the economic value retained.

Direct economic value generated and distributed

GRI 201-1

(in RMB thousands)	FY2025	FY2024 (restated)	FY2023 (restated)
Economic value generated	**424,680**	**319,010**	**219,600**
Economic value distributed	**(381,960)**	**(305,656)**	**(233,790)**
Operating costs	(332,636)	(263,215)	(198,568)
Employee wages and benefits	(33,963)	(32,007)	(32,429)
Payments to providers of capital	(3,289)	(2,323)	(1,869)
Payments to government by country (taxes)	(12,072)	(8,111)	(924)
Economic value retained	**42,720**	**13,354**	**(14,190)**

Notes:

- Operating costs include cost of sales, marketing and distribution expenses, other expenses and exclude employee wages and benefits.
- Employee wages and benefits include Directors' remuneration and employee salaries.
- Payments to providers of capital denotes interest paid to banks.
- Payments to government by country (taxes) denotes income tax

PERFORMANCE IN FY2025

- Achieved the target of maintaining profitability and improving financial performance in FY2025.

TARGETS FOR FY2026

- To maintain profitability and continue to strive to improve in Zixin Group's financial performance.

SUSTAINABILITY REPORT

Research And Development

Biotechnological research and development ("**R&D**") is the primary motivation for Zixin Group's sweet potato integrated circular economy industrial value chain. We are committed to bringing quality sources, from the cultivation of quality sweet potato seedlings to the sale of premium-grade fresh sweet potatoes and sweet potato processed products, to our consumers.

We have completed phase one of our planned expansion at the high-tech manufacturing facility. While trial production at the processed sweet potato products has started, commercialisation is expected to begin in tandem with the upcoming harvest due in September 2025. Our production for functional food products, including the orange and purple sweet potato powder, is also scheduled to begin trial production in stages by the end of September 2025. We believe our functional food products, such as the purple sweet potato powder has wide applications in the food and beverage industry, including confectionery and noodles.

In FY2025, we secured two feedstock orders from local chicken and white duck poultry farms. While we outsourced the production of probiotic-infused fermented sweet potato feedstock to the fermentation plant, which works together with the designated agricultural waste collector in Liancheng County, we provide technical support and the probiotic solutions to the fermentation plant operator for the fermentation process. We believe our breakthrough in converting agricultural waste into feedstock for animal feeds will assist in reducing environmental pollution, improving cost savings on the disposal of agricultural waste, and increasing revenue stream for the stakeholders in the sweet potato industry.

While we have established our in-house R&D team, we also continue to maintain R&D collaborations with Longyan City Agricultural Science Research Institute (龙岩市农业科学研究院), Hubei Academy of Agricultural Sciences Agricultural Economics and Technology Research Institute (湖北省农业科学院农业经济技术研究所), and Fujian Ankang Food Safety Research Institute (福建安康食品安全研究院) to focus on new product developments and production techniques to improve on both production efficiency and snack products. Our strategic collaboration with the Agricultural Genomics Institute at Shenzhen, which is a government-supported scientific research organisation held by the Chinese Academy of Agricultural Sciences, would potentially accelerate the agricultural modernisation of the sweet potato industry in China.

We believe our accomplishments in completing the integrated circular economy industrial value chain for the sweet potatoes industry through biotech capabilities, will bring forth economic developments for the local rural communities, particularly for the traditional agricultural sector, and in turn, bring sustainable growth potential to Zixin Group.

PERFORMANCE IN FY2025

- Did not achieve target of commissioning production at the high-tech manufacturing facility due to delay in the approval to commence interior renovation, resulting in the delay of installation of equipment and machinery intended for capacity expansion.
- Monetised proprietary solution and technique with the secured orders and sale of probiotic-infused fermented sweet potato feedstock to local chicken and white duck poultry farms.
- Obtained a patented chicken poultry feed formulation in FY2025. Zixin Group has a total registered patents of 28, comprising 17 utility model patents, 6 design patents, 4 invention patents and a chicken poultry feed formulation.

TARGETS FOR FY2026

- To monetise proprietary and patented solutions and techniques with the commissioning of the functional food production line.
- Continue R&D efforts for consistent improvement in Zixin Group's business segments across the industrial value chain.

SUSTAINABILITY REPORT

Climate-Related Risks And Opportunities

GRI 201-2

The Group is aware of the recent changes to the improved framework for sustainability reporting of Singapore Exchange Regulation Pte. Ltd. (the "**SGX RegCo**"). This framework now requires the incorporation of the IFRS Sustainability Disclosure Standards (IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2: Climate-related Disclosures), which were issued by the ISSB, which were built on the recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**") that the SGX RegCo has mandated in a phased approach since financial year 2022. We comprehend that these standards will establish a global standard for sustainability-related disclosures and for disclosing the impact of climate-related risks and opportunities on a company's prospects.

The Group is conscious of the hazards that climate change poses to both our industry and business, as well as to society at large. We are devoted to comprehending climate-related risks and opportunities and integrating contingency plans into the Group's strategy and operations for risk management and sustainability.

During FY2025, we have conducted internal discussions with the SC, to identify and assess possible climate-related risks and opportunities that are critical to Zixin Group's business.

The following table sets out the summary of the climate-related risks and opportunities that have been identified for Zixin Group's processed sweet potato snack products manufacturing business, which we shall be prioritising in FY2026 to develop the necessary action plans.

Climate-related	Time Horizon	Potential Financial Impact
Transition Risk		
Technology • High costs associated with adopting clean energy technologies or upgrading existing production infrastructure.	Medium to long term	• Increase in capital investments in new technology development or upgrades to maintain competitiveness.
Physical Risk		
Acute • The increased severity of extreme weather events, such as cyclones and floods, could potentially impact crop harvests, lead to power outages, cause operational disruptions, and result in temporary production halts. These factors may lead to delays in delivery, which could incur penalties, and assets could sustain damage.	Short term	• Disrupted production capacity, increased operating costs, and reduced sales revenue will adversely impact financial performance.
Opportunity		
Energy Source • Incorporating solar and/or steam energy alongside the electricity generated from non-renewable sources to reduce carbon footprint.	Medium to long term	• The adoption of least-cost carbon reduction strategies, such as steam generation for electricity production, could potentially result in a reduction of operating costs.

PERFORMANCE IN FY2025

- Reported Scope 1 and Scope 2 of GHG emissions under IFRS S2.
- Achieved target of identifying and assessing climate-related risks and opportunities that are of relevance to Zixin Group in FY2025.

TARGETS FOR FY2026

- To develop action plans to address the climate-related risks and opportunities identified.
- To explore and incorporate scenario analysis – to assess the Group's climate resilience.

SUSTAINABILITY REPORT

Suppliers And Business Partners

GRI 204-1

Zixin Group is committed to achieving long-term success through collaboration with our suppliers and business partners. In line with our dedication to supporting local farmers, we have established long-term contracted farmland agreements via co-operative farming arrangements. This initiative includes providing farmers with proprietary farming solutions and high-quality sweet potato seedlings to enhance crop yields, as well as committing to purchasing their harvests of quality fresh sweet potatoes.

We believe that our continued investments and commitment to our business partners in cultivating consistently safe, high-quality, and nutritious sweet potatoes will provide us with a steady supply of high-quality fresh sweet potatoes.

At Zixin Group, we conduct annual supplier reviews and assessments to ensure that they continue to satisfy our requirements, which include product quality, timely delivery, support services, and a robust supply management system, as well as being a responsible enterprise. In FY2025, we did not change any of our suppliers and business partners following our annual review and assessment.

Zixin Group acquired 47,348 tonnes of fresh sweet potatoes in FY2025, reflecting an increase of 50.3% compared to the 31,506 tonnes purchased in FY2024. This increase was attributed to a higher yield from the contracted farmlands. The purchases were offset against the prepayments made to the cooperatives responsible for managing these farmlands.

Total purchases, excluding those from contracted farmlands, rose by 29.4% year-on-year, increasing from RMB 145.2 million in FY2024 to RMB 187.9 million in FY2025. Purchases from the top 10 local producers grew by 30.7% year-on-year, rising from RMB 77.9 million in FY2024 to RMB 101.8 million in FY2025, reflecting our higher sales revenue. In FY2025, purchases from these top 10 local producers accounted for 54.2% of total purchases, a slight increase from 53.6% in FY2024.

While we are inclined to support the local economy, we recognise that purchasing within Liancheng County and Longyan City may not be cost-efficient due to their lack of competitive advantages compared to other, more developed cities in China. Nonetheless, we will continue to ensure that at least 50% of our total purchases come from our top 10 local producers for the short and medium term.

PERFORMANCE IN FY2025

- Achieved targets set for FY2025
- Have provided quality seedlings and farming solutions to our contracted suppliers and fellow farmers in Liancheng County.
- Have conducted annual review and assessment on our suppliers
- Approximately 54.2% of our purchases were from local producers.

TARGETS FOR FY2026

- To provide high-quality sweet potato seedlings and farming solutions to our contracted suppliers and fellow farmers in Liancheng County and other agricultural regions across China, with the aim of enhancing their crop yield.
- To maintain purchases from the top 10 local producers at not less than 50% of total purchases.
- To maintain our practice to review and evaluate our suppliers and business partners annually.

SUSTAINABILITY REPORT

MATERIAL TOPIC: ENVIRONMENTAL

Resource Efficiency
GRI 302-1, 302-2, 302-3, 303-3, 303-5, 305-1, 305-2

At Zixin Group, we are progressing our planned expansion across the industrial value chain, which includes both upstream and downstream operations, in Liancheng County. While we strive for economic efficiency, we remain committed to understanding the optimal use of our resources and minimising our environmental impacts.

In FY2025, we continued to monitor and measure our environmental footprints by analysing fuel, energy, and water consumption and collecting data from our operations in Liancheng County, Fujian Province, China. Although we have implemented policies and processes to enhance effective environmental practices throughout the organisation and to raise awareness about conserving energy and water, we anticipate an increase in electricity and water consumption as our business expands.

Nonetheless, we are committed to taking constructive, and proactive steps to reduce carbon emissions in our daily operations. At Zixin Group, we have in place practices for reducing power and fuel consumption, which include:

- arranging production plans rationally to improve cost savings and manage wasteful expenses;
- eliminating outdated, energy-consuming machinery, and streamlining production processes on a regular basis;
- adopting more efficient and energy-saving electric motors, boilers, fans, pumps, and equipment to raise efficiency and energy savings; and
- providing regular reminders to employees at the manufacturing plants on energy savings through regular internal communications, such as daily briefing.

PERFORMANCE IN FY2025

- Did not achieve target of reducing energy consumption in FY2025. This was due to the renovation and capacity expansion at the new high-technology manufacturing plant and diesel consumption of a tractor used for soil preparation at the seedlings nursery.
- Did not achieve the target on recording the use of electricity from renewable and non-renewable sources in FY2025. The Company is (i) planning to install solar panels on the roof of its facility buildings, and (ii) exploring the use of steam to generate electricity.
- The decrease in carbon emission intensity and water consumption intensity in FY2025 was due to the increase in the Group's revenue.

SUSTAINABILITY REPORT

We have revised the figures for (i) fuel consumption, which was impacted by the inclusion of diesel consumption and inaccuracies in petrol consumption data for the last three financial years, and (ii) revenue for FY2024, which has been affected by restatement of figures. These adjustments have influenced the calculations of total energy consumption, overall greenhouse gas (“**GHG**”) emissions, and carbon emission intensity over the past few years.

In FY2025, Zixin Group reported total energy consumption of 28,283.1 gigajoules (“**GJ**”), consisting 276.6 GJ of fuel and 28,006.5 GJ of electricity. This was 23.3% year-on-year increase from total energy consumption of 22,947.3 GJ in FY2024, consisting of 192.2 GJ of fuel and 22,755.1 GJ of electricity, due to the planned expansion across the business segments in FY2025. The diesel consumption rose significantly from 33.6 GJ in FY2024 to 94.2 GJ in FY2025, attributed to the use of a tractor for soil preparation at the seedlings nursery, which expanded from 100 mu to 200 mu of farmland. Consequently, overall greenhouse gas (“**GHG**”) emissions increased by 23.1% year-on-year from 5,398.9 tonnes of carbon dioxide emission (“**tCO_2e**”) in FY2024 to 6,647.9 tCO_2e in FY2025.

The carbon emission intensity decreased by 7.5% year-on-year from 16.92 tCO_2e per RMB million of revenue in FY2024 to 15.65 tCO_2e per RMB million of revenue in FY2025. This improvement is attributed to production efficiency and our focus on higher-value products that increase the revenue in FY2025.

While we did not achieve the target of reducing our energy consumption, we have managed to improve our carbon emission intensity in FY2025. Therefore, we will continue to monitor and record our energy consumption to establish our baseline as we roll out our planned expansion before setting targets in the short, medium, and long term.

Energy consumed from non-renewable sources
GRI 302-1

Energy Source	**Group Consumption (in GJ)**			
	FY2025	**FY2024 (restated)**	**FY2023 (restated)**	**CAGR(1)**
Petrol	182.4	158.6	180.1	(7.0)%
Diesel	94.2	33.6	60.0	N.M.(2)
Fuel	**276.6**	**192.2**	**240.1**	**6.9%**
Electricity	**28,006.5**	**22,755.1**	**14,650.1**	**14.7%**
Total energy consumed	**28,283.1**	**22,947.3**	**14,890.2**	**14.6%**

Notes:
(1) CAGR denotes compound annual growth rate.
(2) N.M. denotes not meaningful. Diesel consumption commenced in FY2023, coinciding with Zixin Group's establishment of a seedling nursery.

TARGETS FOR FY2026

- To monitor and review energy and water consumption as Zixin Group continues expansion plans.
- Strive to reduce or at least maintain carbon emission intensity and water consumption intensity as Zixin Group continues to raise production efficiency.
- To monitor and record the use of electricity from renewable and non-renewable sources in FY2026.

Direct (Scope 1) and Energy Indirect (Scope 2) GHG Emissions

GRI 305-1, GRI 305-2

GHG Emissions[1] (in tCO_2e)	FY2025	FY2024 (restated)	FY2023 (restated)	CAGR[2]
Scope 1	19.7	13.5	17.0	7.7%
Scope 2	6,628.2	5,385.4	3,467.2	15.8%
Total GHG emissions	**6,647.9**	**5,398.9**	**3,484.2**	**15.8%**

Notes:

(1) GHG Protocol is used to compute the GHG emissions. Emission factors used are based on GHG Protocol and Institute for Global Environmental Strategies (2021). List of Grid Emission Factors, version 10.10. Available at: https://pub.iges.or.jp/pub/iges-list-grid-emission-factors.

(2) CAGR denotes compound annual growth rate.

Carbon emission intensity (in tCO_2e per RMB million of revenue)

GRI 305-4

	FY2025	FY2024 (restated)	FY2023 (restated)	CAGR[1]
Revenue (in RMB million)	424.7	319.0	219.6	13.7%
GHG emissions (in tCO_2e)	6,647.9	5,398.9	3,484.2	15.8%
Carbon emission intensity	**15.65**	**16.92**	**15.87**	**1.9%**

Note:

(1) CAGR denotes compound annual growth rate.

As we continue to expand on our processed sweet potato manufacturing operations, the total volume of water drawn from the local municipal water supply also increased by 16.8% year-on-year from 420.1 megaliters ("**ML**") in FY2024 to 490.9 ML in FY2025.

Water usage for the office premises increased by 12.7% year-on-year from 82.2 ML in FY2024 to 92.6 ML in FY2025, mainly due to the increase in activities and personnel in the office premises. These activities include more "livestreaming" marketing projects and corporate meetings.

Total amount of water consumed increased by 15.4% year-on-year from 169.0 ML in FY2024 to 195.1 ML in FY2025 with the completion of phase one of the production capacity expansion and began trial production in late FY2025. However, the increase in Zixin Group's revenue from RMB 319.0 FY2024 to RMB 424.7 million in FY2025, led to a 13.3% decline in water consumption intensity of 529.7 m^3 per RMB million of revenue in FY2024 to 459.2 m^3 per RMB million of revenue in FY2025.

Water Consumption
GRI 303-3

(in ML)	FY2025	FY2024	FY2023	CAGR(1)
Group: water withdrawn	**490.9**	**420.1**	**167.5**	**34.0%**
Office	92.6	82.1	64.1	13.5%
Manufacturing	398.3	338.0	103.4	41.4%
Water discharged(2)	**203.2**	**169.0**	**52.8**	**42.4%**
Water consumed(3)	**195.1**	**169.0**	**50.6**	**40.5%**

Notes:
(1) CAGR denotes compound annual growth rate.
(2) Total water discharged was only from manufacturing operations.
(3) Water consumed by manufacturing operations is computed based on water withdrawn less water discharged.

Water Consumption Intensity For Manufacturing Operations
GRI 303-5

	FY2025	FY2024	FY2023	CAGR(1)
Revenue (in RMB million)	424.7	319.0	219.6	13.7%
Water consumption (in m^3)(2)	195,011	168,984	50,547	40.5%
Water consumption intensity	**459.2**	**529.7**	**230.2**	**23.6%**

Notes:
(1) CAGR denotes compound annual growth rate.
(2) 1 ML is equivalent to $1000m^3$

WASTE
GRI 306-2

The majority of Zixin Group's waste materials are non-hazardous and are managed in accordance with the guidelines set by local authorities. These waste materials primarily originate from food manufacturing facilities, including wastewater and sweet potato peels, as well as from the seedlings nursery, which comprises spoiled sweet potatoes, sweet potato stems, and leaves.

It is mandatory for our manufacturing facilities to discharge wastewater to the dedicated wastewater treatment plant at the sweet potato industrial park in Liancheng County, to which the Group pays a fee for proper disposal of our wastewater.

The rise in the quantity of wastewater discharged and the amount of sweet potato peels disposed of did not increase proportionately with the higher sales revenue recorded by Zixin Group in FY2025. The increase in waste generated can be attributed to (i) the increase in the sales volume of fresh sweet potatoes; (ii) the increase in the purchase volume of peeled sweet potatoes from the co-operatives; and (iii) the increase in sweet potato processed products that do not require the raw ingredients to be peeled.

PERFORMANCE IN FY2025

- Achieved target of zero incidents of non-compliance with the applicable laws and regulations related to environmental protection, which could result in penalty and public allegation.
- Achieved target of supplying sweet potato peels to the fermentation plant operator in FY2025 and achieved cost savings on disposal of the sweet potato peel waste.

Our manufacturing facilities released 203,241.5 m^3 of wastewater in FY2025, an increase of 20.3% from 168,984.0 m^3 in FY2024. The volume of sweet potato peels to be disposed of increased by 9.72% year-on-year, from 748.8 tonnes in FY2024 to 821.6 tonnes in FY2025. The increase was due to an increase in productivity at our existing manufacturing facility in FY2025.

In FY2025, we successfully closed the loop of the circular economy within the sweet potato industrial value chain through a strategic collaboration with a third-party fermentation plant operator, who works alongside the designated sweet potato agricultural waste collector in Liancheng County. Zixin Group secured orders amounting to 1,260 tonnes of probiotic-infused fermented sweet potato feedstock from local chicken and white duck farms during the last quarter of FY2025. In light of these orders, we have outsourced the production of the fermented feedstock to the fermentation plant operator. We provide both the agricultural waste and the biotech solution, along with technical support, to facilitate the production of the probiotic-infused fermented sweet potato feedstock based on our patented poultry feed formulation.

Through our strategic collaboration, Zixin Group has effectively managed the environmental issues associated with increasing agricultural waste by transforming it into nutritional feedstock. This innovation creates economic value rather than exacerbating disposal costs. We believe that this development will be advantageous for stakeholders in the poultry and livestock industries, as well as the feed manufacturing sector, as they seek to decrease the proportion of soymeal in their feed formulations in accordance with national directives, thereby enhancing feed security.

In FY2025, we recorded no incidents of non-compliance with the relevant environmental protection laws and regulations. Zixin Group will continue to always adhere to all environmental protection rules and regulations applicable to our operations, in the short, medium, and long term.

Waste Generated

Non-hazardous	FY2025	FY2024	FY2023	CAGR[1]
Sweet potato peels (tonnes)	821.6	748.8	673.1	8.7%
Wastewater (m^3)	203,241.5	168,984.0	52,816.0	42.4%

Note:

(1) CAGR denotes compound annual growth rate.

TARGETS FOR FY2026

- Continue to maintain no incident of non-compliance with the relevant environmental protection laws and regulations for the short, medium, and long term.
- Aim to secure more feedstock orders to address the increasing waste generated with Zixin Group's expansion plans, which will be supported by the planned expansions of the fermentation plant and waste collection centre operated by third parties.

SUSTAINABILITY REPORT

MATERIAL TOPIC: SOCIAL

Employment, Diversity And Equal Opportunity

GRI 401-1, 405-1

At Zixin Group, we remain committed to fair employment practices and creating a healthy working environment in which our employees are appreciated and treated equally and without prejudice. We believe that employee well-being is critical to our long-term growth.

While we have in place our staff handbook and human resources manual that adhere to the legislation and guidelines in the country of operations, we are committed to holding engagement sessions on a monthly basis. Recruitment, remuneration, promotion, and benefits are required to be handled based on objective assessment, equal opportunity, and non-discrimination regardless of gender, race, marital status, pregnancy, disability, age, or family status.

We use a fair and flexible recruitment strategy, as well as competitive remuneration, to attract and retain qualified employees. Remuneration packages, which include appropriate social benefits, are reviewed on a regular basis to ensure alignment with the labour market and industry benchmarks. Confirmation and promotion are based on job performance and relevance. Dismissal also complies with employment regulations and non-discrimination laws.

We organise staff outings and company events and provide free health check-ups, free accommodation, and festive benefits for employees to foster better working relationships among employees within the organisation and reduce employee turnover. In FY2025, we conducted 16 staff engagement and teambuilding activities, compared to 14 staff engagement and teambuilding activities in FY2024.

Zixin Group remains committed to achieving zero reported incidence of non-compliance with the relevant laws and regulations concerning fair employment practices, both in the short, medium, and long term. Some employees have departed due to natural attrition. As we continue on our path of expansion, we successfully attracted new employees, leading to a 29.0% year-on-year increase in our permanent workforce, growing from 362 in FY2024 to 467 in FY2025. The number of contractual employees also increased by 98.1% year-on-year from 104 in FY2024 to 206 in FY2025, which was due to our seedlings nursery expansion where temporary labour are required for the planting of the seedlings. This led to the decline in the proportion of permanent employees, decreasing from 71.3% in FY2024 to 55.9% in FY2025.

The food processing profession continues to play a significant role in the prevailing female dominance within the food and beverage industry regarding gender diversity. We have seen a slight increase in the proportion of male employees to 28.1% and female employees to 71.9% in FY2025, compared to 27.6% and 72.4% for male and female employees in FY2024. However, we anticipate that the proportion of female employees is likely to remain above 70% in the near- to medium term. Additionally, our workforce under the age of 50 has decreased from 49.5% in FY2024 to 44.3% in FY2025, possibly due to the agriculture industry being less appealing to younger individuals.

Our employee turnover rate continues to improve since post-COVID from 32.7% in FY2024 to 25.3% in FY2025.

PERFORMANCE IN FY2025

- Did not achieve target of improving gender diversity of our workforce to be 70% female-dominated.
- Achieved target of at least 12 staff engagement and team building activities with employees.
- Monitored and reviewed the recruitment procedure and system and achieved target of zero incidents of non-compliance with the applicable laws and regulations related to fair employment practices.

TARGETS FOR FY2026

- Continue to uphold a zero reported incidence of non-compliance with the relevant laws and regulations concerning fair employment practices for the short, medium, and long term.
- Continue to monitor and review the recruitment procedures and systems to ensure fairness and non-discrimination in hiring practices.
- To improve gender diversity of our workforce to be 70% female-dominated.
- To conduct at least 12 staff engagement and teambuilding activities in FY2026 to enhance employee cohesion and improve talent retention.

The demographics of our employees for our operations in the Group are as follows:

Employees By Gender

FYE 31 March	FY2025	FY2024	FY2023	CAGR[(1)]
Male	28.1%	27.6%	28.4%	10.9%
Female	71.9%	72.4%	71.6%	7.2%
Group Headcount	**467**	**362**	**317**	**8.2%**

Note:
(1) CAGR denotes compound annual growth rate.

Employees By Age Group

FYE 31 March	FY2025	FY2024	FY2023	CAGR[(1)]
Below 30-year-old	1.5%	2.5%	4.4%	(30.7)%
Between 30-50-year-old	42.8%	47.0%	56.2%	(8.8)%
Above 50-year-old	55.7%	50.5%	39.4%	45.7%
Group Headcount	**467**	**362**	**317**	**8.2%**

Note:
(1) CAGR denotes compound annual growth rate.

New Employees By Gender And Age Group

FYE 31 March	FY2025	FY2024	FY2023	CAGR[(1)]
By Gender				
Male	24.3%	28.2%	24.8%	18.1%
Female	75.7%	71.8%	75.2%	20.0%
By Age Group				
Below 30-year-old	1.0%	3.8%	2.5%	(26.3)%
Between 30-50-year-old	41.0%	37.2%	43.8%	3.8%
Above 50-year-old	58.0%	59.0%	53.7%	43.8%
Total New Hires	**210**	**156**	**121**	**19.5%**

Note:
(1) CAGR denotes compound annual growth rate.

Employee Turnover

Gender	New Hires			Resigned			Employee Turnover		
	FY2025	FY2024	FY2023	FY2025	FY2024	FY2023	FY2025	FY2024	FY2023
Male	24.3%	28.2%	24.8%	19.0%	30.6%	20.8%	17.3%	35.8%	38.7%
Female	75.7%	71.8%	75.2%	81.0%	69.4%	79.2%	28.4%	31.5%	54.8%
						Group Average	**25.3%**	32.7%	50.4%

Diversity By Employee Category, Gender, And Age Group

FYE 31 March	FY2025			FY2024		
	Mgmt	Executive	Non-Exec	Mgmt	Executive	Non-Exec
By Gender						
Male	76.5%	61.8%	23.3%	75.0%	61.3%	22.6%
Female	23.5%	38.2%	76.7%	25.0%	38.7%	77.4%
By Age Group						
Below 30-year-old	0.0%	0.0%	1.7%	0.0%	0.0%	2.8%
Between 30-50- year-old	76.5%	79.4%	38.4%	66.7%	93.5%	41.7%
Above 50-year-old	23.5%	20.6%	59.9%	33.3%	6.5%	55.5%
Group	17	34	416	12	31	319

Note: Mgmt denotes senior management; Executive includes middle management and supervisory positions; Non-Exec denotes non-executive personnel.

Board Diversity

Gender	FY2025	FY2024	FY2023
Male	100.0%	100.0%	100.0%
Female	0.0%	0.0%	0.0%

SUSTAINABILITY REPORT

Occupational Health And Safety

GRI 403-1, 403-5, 403-9

At Zixin Group, we are committed to providing a healthy, safe, and pleasant working environment for all our employees. We manage and monitor our operations in conformity with the national health and safety guidelines and regulations.

As part of our commitment to maintaining a healthy and safe working environment for our members, we remain vigilant in managing and monitoring health and safety risks through the implementation of various policies and procedures, including the Workplace Safety Policy and the employee behaviour and responsibility guidelines detailed in the Employee Handbook. We firmly believe that fostering a sense of self-responsibility among employees will help to minimise workplace injuries and fatalities, while also enhancing organisational cohesion.

In accordance with our Workplace Safety Policy and Employee Handbook, all employees are required to undertake training to acquire the knowledge and skills necessary for their roles and responsibilities. We regularly offer internal training courses for both new and existing staff to ensure that they are familiar with the relevant policies and standard procedures. Additionally, we place a strong emphasis on the importance of adhering to workplace safety standards and regulations to minimise work-related injuries. These training courses are conducted on a monthly basis.

To prepare our employees, we engage external professionals to conduct selected training seminars on natural disasters, including earthquakes, floods, fire alarms, and self-rescue operations, four times a year. We believe that courses on emergency precautions are essential for our employees.

Furthermore, we continually strive to identify and manage occupational exposure risks, minimise the occurrence of occupational illnesses, and promote healthy lifestyles, thereby ensuring a safe and healthy working environment for all members of the organisation. Daily morning briefings, along with both irregular and regular spot checks, are conducted to emphasise and reinforce workplace safety, particularly in areas where operations involve equipment and machinery.

In FY2025, we maintained zero incidents resulting in fatality and permanent disability. Zixin Group is committed to maintaining our track record of zero incidence of non-compliance with the relevant laws and regulations relating to occupational health and safety, providing a safe working environment, and safeguarding our employees from occupational dangers in the short, medium, and long term.

PERFORMANCE IN FY2025

- Achieved targets set in FY2025.
- Maintained zero incidence of significant work-related injuries resulting in fatality and permanent disability.
- Maintained zero incidence of non-compliance with the relevant laws and regulations relating to occupational health and safety.
- Achieved target of carrying out refresher training regularly for our employees.

TARGETS FOR FY2026

- Continue to carry out refresher training regularly for our employees to ensure they are aware of the policies and standard procedures, and the importance of complying with the safety standards and regulations in the workplace to keep work-related injuries to the minimal.
- To maintain no incident of significant work-related injuries and fatalities.
- To maintain no incident of non-compliance with the relevant laws and regulations occupational health and safety, providing a safe working environment and protecting employees from occupational hazards.

Skills Competency And Employee Training

GRI 404-1

At Zixin Group, we firmly believe that our employees are the core of our organisation, and we must consistently enhance their value as they contribute to our businesses' success.

Every employee in Zixin Group has the opportunity to upgrade and improve their skills and knowledge through formal and on-the-job training programmes. Training programmes are selected according to the roles and responsibilities of the employees. These training programmes cover: a) hygiene and disease prevention measures; b) workplace safety; c) 5S production management; d) skills enhancement; e) corporate culture and governance; f) administrative management methods and concepts; and g) teambuilding and teamwork. We will continue to look for ways to help our employees grow within the organisation.

AVERAGE TRAINING HOURS PER EMPLOYEE BY GENDER

Gender	FY2025	FY2024[(1)] (restated)	FY2023[(1)] (restated)	CAGR[(2)]
Per male employee	157.5	129.4	114.4	17.3%
Per female employee	151.3	121.9	103.5	20.9%
Total training hours	**71,000**	**44,495**	**33,566**	**45.4%**
Headcount in China[(3)]	464	359	315	21.4%
Average training hours per employee	**153.0**	**123.9**	**106.6**	**19.8%**

AVERAGE TRAINING HOURS PER EMPLOYEE BY EMPLOYEE CATEGORY

Employee Category	FY2025	FY2024[(1)] (restated)	FY2023[(1)] (restated)	CAGR[(2)]
Management	157.1	213.3	150.0	2.4%
Executive	188.2	138.5	114.1	28.5%
Non-Executive	150.0	120.0	104.1	20.0%
Average training hours per employee	**153.0**	**123.9**	**106.6**	**19.8%**

Notes:

(1) Data have been restated for FY2023 and FY2024 due to error in computation.

(2) CAGR denotes compound annual growth rate.

(3) Trainings are primarily for the employees based in Liancheng County, China.

As Zixin Group continues to expand, we remain committed to providing relevant academic and skills training programmes for our employees, especially those in both executive and non-executive roles. We have revised the figures for FY2023 and FY2024 to ensure accuracy in our computations. Our objective is to achieve a minimum average of 100 training hours per employee annually, across the short, medium, and long term. This goal remains unchanged despite any increase in headcount, as we believe that enhancing the value of our employees is a sustainable strategy for our agritech business.

PERFORMANCE IN FY2025

- Achieved targets set in FY2025.
- Data was restated for FY2023 and FY2024 to reflect accuracy in computation.
- Recorded an average of 153.0 training hours per employee in FY2025, a 23.5% increase from 123.9 training hours per employee in FY2024. This was despite an increase in headcount from 359 in FY2024 to 464 in FY2025 in our operations in China.

TARGETS FOR FY2026

- To achieve a minimum average of 100 training hours per employee annually for the short, medium, and long term.
- To continue to explore and provide relevant training programmes to update skills and knowledge of our employees.

Performance Appraisal

GRI 404-3

At Zixin Group, we conduct annual performance evaluations for all full-time employees, a practice that will continue indefinitely.

Our Human Resources department has a system in place for conducting annual performance appraisals for all members in the organisation. The employee performance review primarily comprises quantitative evaluation criteria that are based on specific positions and responsibilities, for which we actively gather performance information from direct supervisors and hold regular communication meetings with employees. We believe regular communication fosters stronger working relationships and helps us stay informed about our employees' growth and well-being, ultimately enhancing talent retention. We feel that being focused on the growth and development of our employees will benefit the overall growth of Zixin Group.

We organise retreats and teambuilding activities, as well as employee engagement meetings are organised, to gain insights into the operational situations employees face and how management addresses the concerns that arise.

Discretionary incentives such as bonuses are granted to eligible employees based on their performance, contributions to Zixin Group and the Group's performance. Remuneration policies and packages are reviewed regularly to ensure that compensation and benefits are in line with the industry. This helps the Group in our recruitment and retention of talent.

PERFORMANCE IN FY2025

- Achieved targets set in FY2025.
- Achieved 100% performance evaluation for all employees.
- Conducted 16 employee engagement meetings for employees in FY2025, an increase from 14 meetings in FY2024.

TARGET FOR FY2026

- Maintain annual performance appraisal for all employees.

MATERIAL TOPIC: GOVERNANCE

Customer Health And Safety

GRI 416-2

At Zixin Group, we are committed to maintaining food safety and high-quality standards for our range of sweet potato products, including seedlings, fresh and processed sweet potato products, and our biotech solutions. Our involvement in business segments throughout the industrial value chain allows traceability from farm to consumer consumption. We value the health and safety of our customers and strive to offer the best consumer experience for them.

We place high priority on the health and safety of our end consumers, and we conduct an annual customer assessment review and satisfaction survey of our customers, who also include distributors, retailers, and original equipment manufacturers. While we collect feedback for self-improvement, we also assess our customers' commitments to business relationships, including the accuracy of the information provided and the punctuality of payments.

PERFORMANCE IN FY2025

- Achieved targets set in FY2025.
- Scheduled regular training sessions on food safety management for our quality control employees.
- Recorded no incident of non-compliance with management control and procedures relating to food safety during production process.
- Maintained track record of zero food safety incidents.

SUSTAINABILITY REPORT

We hold the belief that food safety begins at its origin. To ensure consistent, high-quality fresh and processed sweet potato products, we place a strong emphasis on our upstream business — cultivation and supply. Over the years, we have harnessed science and technology to enhance sweet potato varieties, cultivating our seedlings and sharing farming solutions with our contracted farmlands to improve both the quality of the sweet potatoes and their harvest yield. This commitment on integrating technology into traditional agriculture not only supports our contracted farmers but also ensures that consumers receive products that meet stringent safety standards.

We outsourced our front-end operations, following the harvesting of sweet potatoes, to a third-party-operated smart warehouse starting in the second half of FY2024. These operations encompass the curing, storing, washing, sorting, packaging, and delivering of fresh sweet potatoes. Consequently, we have seen an increase in both the volume and sales of our fresh sweet potatoes, which allows us to maintain a consistent supply of high-quality and nutritious fresh sweet potatoes across existing and new distribution channels, including supermarkets. The efficient curing and storage of freshly harvested sweet potatoes helps extend their shelf life. We believe that by creating a collaborative business platform within our circular economy industrial value chain, we can establish a traceable and sustainable supply chain that benefits all stakeholders involved.

In FY2025, phase one of our planned expansion in the manufacturing of processed sweet potato products, including snacks and functional products at the newly developed factory is set up and will start production progressively. Both our new and existing food manufacturing facilities comply with the requirements for Hazard Analysis and Critical Control Point ("**HACCP**") system accreditation. Additionally, we have scheduled regular training sessions on food safety management for our quality control employees to ensure they maintain their knowledge and oversight of food safety issues throughout the production process. Furthermore, we conduct regular audits of our operations to assess management and performance in relation to cleanliness, sanitation, and housekeeping, thereby ensuring the quality of our processed sweet potato products.

All our fresh and processed sweet potato products are packed using approved food-grade materials, and all our products passed the tests required by the Chinese national food safety standards, which are regulated by the China Food and Drug Administration ("**CFDA**"). Our commitment to quality ensures that every product meets stringent safety and quality benchmarks, providing consumers with confidence in their purchase.

We continuously monitor our processes to uphold these standards and strive for excellence in every batch produced. At Zixin Group, we are committed to maintaining a track record of zero occurrences of non-compliance with food production management controls and procedures, as well as zero food safety incidents, in the short, medium, and long term.

TARGETS FOR FY2026

- Continue to monitor and update the adequacy of management controls and procedures relating to food safety during production process.
- Maintain regular food safety management trainings to ensure employees maintain their knowledge and oversight of food safety issues.
- Maintain track record of zero food safety incidents.

SUSTAINABILITY REPORT

Regulatory Compliance

GRI 2-27

Zixin Group adheres to all applicable environmental, food safety, social, and economic laws and regulations by implementing internal checks, alongside regular reporting and updates to the appropriate authorities and agencies. We are committed to exceeding compliance standards and legislative obligations, particularly regarding environmental responsibility, which is essential for agricultural sector.

We have established internal policies and practices that comply with national environmental standards, aimed at protecting the environment, reducing carbon emissions, preventing pollution, and minimising waste in our daily business operations. Additionally, we have adhered to Fujian Province's wastewater emissions standards by utilising the centralised wastewater treatment facility overseen by the Liancheng County government.

We will continue to emphasise the importance of maintaining high standards for corporate governance and adhering to the relevant laws and regulations in the regions where we operate. Our commitment to conducting business with integrity ensures the sustainability of our operations and safeguards the interests of all our stakeholders.

Zixin Group is committed to achieving zero incidents of non-compliance with applicable laws and regulations in the areas of socio-economics and environmental for the short, medium, and long term.

Please refer to the Corporate Governance Report found on page 52 to 77 of this annual report for details of Zixin Group's corporate governance principles and practices.

PERFORMANCE IN FY2025

- Achieved targets set in FY2025.
- Maintained zero incident of non-compliance with the relevant laws and regulations relating to socio-economic and environmental areas that could potentially result in internal disciplinary action or public allegations.
- Substantially complied with the principles and provisions set out in the Code of Corporate Governance 2018. Appropriate explanations have been provided in the relevant sections of the Corporate Governance Report where there are deviations from the Code.

TARGETS FOR FY2026

- Continue to monitor and update the adequacy of management controls, policies, and procedures in relation to the Code of Corporate Governance, as necessary.
- Ensure there are no incidents of non-compliance with management controls and procedures.
- Continue to maintain no incident of non-compliance with relevant socio-economic and environmental laws and regulations.

SUSTAINABILITY REPORT

GRI CONTENT INDEX

Statement of use	Zixin Group Holdings Limited has reported this information cited in this GRI content index for the period from 1 April 2024 to 31 March 2025 ("**FY2025**") with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standards	Disclosure	Reference
GRI 2: General Disclosures 2021	2-1: Organisational details	Annual Report ("**AR**") – Company Profile, page 1
	2-2: Entities included in the organisation's sustainability reporting	AR – Corporate Structure, page 8
	2-3: Reporting period, frequency and contact point	Sustainability Report ("**SR**") - Board Statement, page 25
	2-6: Activities, value chain, and other business relationships	AR – Letter to Shareholders, page 3 to 7 AR – Business Operations, page 9 to 15 and Financial Performance, page 17 to 20
	2-7: Employees	SR – SOCIAL: Employment, Diversity and Equal Opportunity, page 40 to 42
	2-9: Governance structure and composition	SR – SUSTAINABILITY GOVERNANCE, page 27 AR – Board of Directors, page 21 to 23 AR – Corporate Governance, page 52
	2-27: Compliance with laws and regulations	SR – GOVERNANCE: Regulatory Compliance, page 47
	2-29: Approach to stakeholder engagement	SR – SUSTAINABILITY GOVERNANCE: Stakeholder Engagement, page 28 to 29
GRI 3: Material Topics (2021)	3-1: Process to determine material topics	SR – SUSTAINABILITY GOVERNANCE: Materiality Assessment, page 29 to 30
	3-2: List of material topics	SR – SUSTAINABILITY GOVERNANCE: Materiality Assessment, page 29 to 30
	3-3: Management of material topics	SR – SUSTAINABILITY GOVERNANCE: Materiality Assessment, page 29 to 30
GRI 201: Economic Performance	201-1: Direct economic value generated and distributed	SR – ECONOMIC: Economic Performance, page 31
	Research and Development	SR – ECONOMIC: Research and Development, page 32
	Climate-related Risks and Opportunities	SR – ECONOMIC: Climate-related Risks and Opportunities, page 33
GRI 204: Procurement Practices 2016	204-1: Proportion of spending on local suppliers	SR – ECONOMIC: Suppliers and Business Partners, page 34
GRI 302: Energy 2016	302-1, 302-2: Energy Consumption	SR – ENVIRONMENTAL: Resource Efficiency, page 35 to 38

SUSTAINABILITY REPORT

GRI Standards	Disclosure	Reference
GRI 303: Water and Effluents (2018)	303-3, 303-5: Water Consumption	SR – ENVIRONMENTAL: Resource Efficiency, page 35 to 38
GRI 305: Emissions 2016	305-1: Direct (Scope 1) GHG emissions	SR – ENVIRONMENTAL: Resource Efficiency, page 35 to 38
	305-2: Energy Indirect (Scope 2) GHG emissions	SR – ENVIRONMENTAL: Resource Efficiency, page 35 to 38
	305-4: GHG emissions intensity	SR – ENVIRONMENTAL: Resource Efficiency, page 35 to 38
GRI 306: Waste 2020	306-3: Waste generated	SR – ENVIRONMENTAL: Waste, page 38 to 39
GRI 401: Employment 2016	401-1: New employee hires and employee turnover	SR – SOCIAL: Employment, Diversity and Equal Opportunity, page 40 to 42
GRI 403: Occupational Health and Safety 2018	403-1: Occupational health and safety management system	SR – SOCIAL: Occupational Health and Safety, page 43
	403-5: Worker training on occupational health and safety	SR – SOCIAL: Occupational Health and Safety, page 43
	403-9: Work related injuries	SR – SOCIAL: Occupational Health and Safety, page 43
GRI 404: Training & Education 2016	404-1: Average hours of training per year per employee	SR – SOCIAL: Skills Competency and Employee Training, page 44
	404-3: Percentage of employees receiving regular performance and career development reviews	SR – SOCIAL: Performance Appraisal, page 45
GRI 405: Diversity and equal opportunity 2016	405-1: Diversity of governance bodies and employees	SR – SOCIAL: Employment, Diversity and Equal Opportunity, page 40 to 42
GRI 416: Customer Health and Safety 2016	416-2: Non-compliance concerning the health and safety impacts of products and services	SR – GOVERNANCE: Customer Health and Safety, page 45 to 46

SUSTAINABILITY REPORT

TCFD CONTENT INDEX

Based on the requirements in the Rule 711B(1) of the Catalist Rules and Practice Note 7F Sustainability Reporting Guide, we have mapped our climate-related disclosures based on TCFD Recommendations as shown in the table below.

TCFD Recommendations	Disclosure	Reference
Governance		
Describe the board's oversight of climate-related risks and opportunities. Describe management's role in assessing and managing climate-related risks and opportunities.	The Board maintains oversight of the sustainability practices that are material to our businesses, and our Sustainability Committee ("**SC**") has commenced preliminary work on identifying and assessing climate-related risks and opportunities relevant to the Group. The Board maintains efficient oversight over the SC, and reviews and considers sustainability issues, as well as the relevance and adequate practices as part of the formulation of our strategies and policies to better manage sustainability risks and opportunities while ensuring all EESG and climate-related matters significant to our business are addressed.	SR – BOARD STATEMENT, page 25 SR – SUSTAINABILITY GOVERNANCE, page 27 SR – ECONOMIC: Climate-related Risks and Opportunities, page 33
Strategy		
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Zixin Group is adopting a phased approach towards managing climate-related risks and opportunities. In FY2025, Zixin Group has identified and assessed climate-related risks and opportunities that are vital to the Group's business sustainability.	SR – ECONOMIC, Climate-related Risks and Opportunities, page 33
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Zixin Group is adopting a phased approach towards managing climate-related risks and opportunities. In FY2025, Zixin Group has preliminary identified the potential impacts of climate-related risks and opportunities and strives to assess the impacts on the businesses, strategy, and financial planning in the subsequent two financial years.	SR - ECONOMIC, Climate-related Risks and Opportunities, page 33
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Zixin Group is adopting a phased approach towards managing climate-related risks. Scenario analysis will be carried out post-FY2025.	–

SUSTAINABILITY REPORT

TCFD Recommendations	Disclosure	Reference
Risk Management		
Describe the organisation's processes for identifying and assessing climate-related risks.	In FY2025, the management team conducted internal discussions with the SC, who are key management executives of Zixin Group, to understand climate-related risks and opportunities. The SC has identified and assessed potential climate-related risks and opportunities that are critical to Zixin Group's business sustainability.	SR – ECONOMIC, Climate-related Risks and Opportunities, page 33
Describe the organisation's processes for managing climate-related risks.	Zixin Group is adopting a progressive approach to formulating a process for managing climate-related risks. The SC strives to further explore and address the identified climate-related risks and opportunities post-2025.	–
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Zixin Group is adopting a progressive strategy towards managing climate-related risks. We will conduct an analysis on integration with the Group's enterprise risk management after FY2025.	–
Metrics and Targets		
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	As part of Zixin Group's annual sustainability reporting, we track metrics on: - non-renewable energy and water consumption - Scope 1 and 2 GHG emissions - Waste	SR – ENVIRONMENTAL, Resource Efficiency, page 35 to 38
Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.	Scope 1 and Scope 2 GHG emissions are disclosed in our SR. We have reported and compared our Scope 1 and Scope 2 GHG emissions from FY2023 based on fuel and energy consumption in our manufacturing facilities and office premise located in Liancheng County, China. We have restated the figures for FY2023 and FY2024 due to the omission of diesel consumption. Diesel consumption started in FY2023 when Zixin Group began to cultivate sweet potato seedlings to provide for our contracted farmlands. We will review and develop and report our Scope 3 GHG emissions, as and when appropriate.	SR – ENVIRONMENTAL, Resource Efficiency, page 35 to 38
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Zixin Group is adopting a progressive strategy towards managing climate-related risks and opportunities. We have managed to close the loop of the integrated circular economy industrial value chain in late FY2025 and are continuing our expansion across our core business segments progressively. We endeavour to set reasonable targets once we are able to establish our baselines post-FY2025.	–

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "**Board**" or "**Directors**") and the management team ("**Management**") of Zixin Group Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") is committed to maintaining a high standard of corporate governance within the Group to promote greater transparency, to safeguard the interests of the Company's shareholders ("**Shareholders**"), employees and other stakeholders, and to promote investors' confidence.

In accordance with Rule 710 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual – Section B: Rules of the Catalist (the "**Catalist Rules**"), this corporate governance report (the "**CG Report**") outlines the Company's corporate governance practices that were in place during the financial year ended 31 March 2025 ("**FY2025**"), with specific references made to the principles of the Code of Governance 2018 (the "**Code**") and the Catalist Rules.

The Board is pleased to report that the Company has adhered to the principles of the Code and in areas where the Company's practices vary from any provisions of the Code, the Company has stated herein the provision of the Code from which it has varied, and appropriate explanations are provided for the variation, and how the practices the Company had adopted are consistent with the intent of the relevant principle of the Code. The Group will continue to assess its corporate governance practices and implement changes to its practices where required.

A. BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

As at the date of this Annual Report, the Board comprises the following Directors:

Name of Directors	Designation
Liang Chengwang	Executive Chairman and Chief Executive Officer
Lawrence Chen Tse Chau (Chen Shichao)	Non-Executive and Lead Independent Director
Ng Poh Khoon	Non-Executive and Independent Director
Xue Congyan	Non-Executive and Independent Director

Further information about the profiles of the current Directors are set out on pages 21 to 23 of this Annual Report.

The Board's principal roles include promoting long-term Shareholder value, setting the Group's strategic direction and establishing goals for Management as well as ensuring proper observance of corporate governance practices, which include putting in place a code of conduct and ethics, setting appropriate tone-from-the-top and desired organisational culture, and ensuring proper accountability within the Group. The Directors understand the Company's business as well as their respective directorship duties (including their roles as Executive, Non-Executive and Independent Directors). The Board oversees the business affairs of the Group and works with Management to achieve the goals of the Group. The Directors are fiduciaries who act objectively in the best interests of the Company and hold Management accountable for performance.

The Board has put in place policies and procedures for dealing with conflicts of interest. Where the Director faces a conflict of interest, he would recuse himself from discussions and decisions involving the issues of conflict.

CORPORATE GOVERNANCE REPORT

In addition to statutory duties and responsibilities, the Board's duties, including the key matters to be approved by the Board are set out as follows:

(a) reviewing and approving key business and financial strategies (taking into consideration sustainability issues) and objectives of the Group;

(b) reviewing and approving major corporate transactions (such as financial restructuring and share issuance);

(c) reviewing and approving annual budgets of the Group, major transactions, including acquisitions, divestments, investments and capital expenditure;

(d) reviewing and approving the annual report and audited financial statements of the Group;

(e) reviewing and approving the unaudited financial results of the Group, including the half-year and full-year results announcements;

(f) reviewing and approving the nomination of Board members and the appointment of key management personnel;

(g) reviewing the performance of Management and providing guidance to Management (where necessary);

(h) ensuring that the necessary financial and human resources are in place for the Group to meet its objectives;

(i) ensuring that the Group has adequate internal controls, risk management, financial reporting and compliance;

(j) ensuring the Group's compliance with laws, regulations, policies, directives and guidelines;

(k) establishing and maintaining the Company's values and standards and ensuring that obligations to Shareholders are understood and met;

(l) establishing and maintaining an ethical corporate culture that is reflective of the Company's values, standards, policies and practices and encouraging adherence to the Group's internal code of conduct;

(m) overseeing risk management strategies of the Group; and

(n) ensuring accurate, adequate and timely reporting to, and communication with Shareholders and other key stakeholder groups.

The Board decides on matters that require its approval and clearly communicates this to Management in writing.

In exercising its duties and responsibilities, the Board draws on the competencies, experience and judgment of each and every Director. The presence of three (3) Non-Executive and Independent Directors on the Board, which forms the majority of the Board, ensures a strong element of independence in the Board's decision.

To ensure smooth operations, decision-making and proper controls, the Board has delegated some of its powers to its committees and Management. In particular, the Board has set up three committees to assist it in effectively discharging its duties. These three committees are the Audit Committee ("**AC**"), Nominating Committee ("**NC**"), and Remuneration Committee ("**RC**") (collectively, the "**Board Committees**").

CORPORATE GOVERNANCE REPORT

Each of the Board Committees is constituted with clear written terms of reference setting out their compositions, authorities and duties. The AC is responsible for undertaking an independent review of the effectiveness of the financial reporting process and internal control systems of the Company and if required, to make the necessary recommendations to strengthen the necessary processes and controls to the Board. The NC is responsible for reviewing and making the appropriate recommendations to the Board on all Board appointments and re-appointments while the RC is responsible for establishing and implementing a framework for the remuneration of Directors and key management personnel. Accordingly, the Board Committees facilitate the Board's oversight of the Group.

The Board has delegated the day-to-day operations to Management while reserving key matters (such as corporate restructuring, mergers and acquisitions, investments, acquisitions and disposals of assets, major corporate policies on key areas of operations, the release of the Group's half year and full year results, interested person transactions of a material nature, declaration of interim dividends and proposal of final dividends) for Board's approval.

In conducting the day-to-day operations of the Group, the Management will be guided by internal guidelines (such as the approval limits for various expenditures, banking and treasury approval limits and authorised signatories) that clearly set out the matters which must be approved by the Board. Management provides Directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities. In addition, the Board is free to request for further clarification and information from Management on all matters within their purview.

Notwithstanding the above delegation of authority by the Board, the ultimate responsibility for all matters lies with the Board.

Generally, the Board convenes scheduled meetings on a half-yearly basis, and ad-hoc meetings will be arranged when required (for example to consider proposed corporate actions by the Company or to review corporate action documents). If the Directors are unable to attend Board meetings physically, such meetings may be conducted via telephone conference, video conference, audio visual or by means of a similar communication equipment where all the Directors participating in the meeting are able to hear each other. In addition, decisions of the Board and the Board Committees may also be obtained through written resolutions.

Directors' attendance at the Board and the Board Committees meetings during FY2025 and up to the date of this Annual Report is as follows:

Name of Director	**Board**		**Audit Committee**		**Nominating Committee**		**Remuneration Committee**	
	No. of meetings Held	**No. of meetings Attended**	**No. of meetings Held**	**No. of meetings Attended**	**No. of meetings Held**	**No. of meetings Attended**	**No. of meetings Held**	**No. of meetings Attended**
Liang Chengwang	3	3	4	2^	1	1^	1	1^
Lawrence Chen Tse Chau (Chen Shichao)	3	3	4	4	1	1	1	1
Ng Poh Khoon	3	3	4	4	1	1	1	1
Xue Congyan	3	2	4	4	1	1	1	1

^ By invitation.

While the Board considers Directors' attendance at Board meetings to be important, it is not the only criterion which the Board uses to measure Directors' contributions. The Board also takes into account the contributions by Board members in other forms including periodical reviews, provision of guidance and advice on various matters relating to the Group. The Board requires Directors to be able to commit sufficient time and attention to the affairs of the Board and their relevant Board Committees. A discussion of the procedure for assessing the Directors' commitment to the Company is set out below under Principle 4.

To enable the Directors to better understand the Group's business as well as for them to discharge their respective duties, Management will provide regular business updates to the Directors during the scheduled Board meetings. In order to ensure that each Director is able to contribute in a meaningful manner during Board meetings, Management provides the members of the Board with relevant background information and documents relating to the items of business to be discussed at each Board meeting, such as copies of disclosure documents, budgets, forecasts and internal financial statements, before the scheduled meeting.

Key information relating to the Company's operations and finances are also circulated to the Board in a timely manner so that the Directors may monitor with ease the Company's performance as well as the Management's fulfilment of goals and objectives set by the Board. The Directors are also regularly briefed by Management on the business activities of the Company, including the Company's strategic direction and its corporate practices.

To ensure that the Directors are able to consistently develop and maintain their skills and knowledge, the Company encourages its Directors to attend courses and seminars. The Company has a training budget for its Directors to attend courses and seminars which can be utilised by Directors as and when it is required. Information on courses or seminars in relation to the roles and responsibilities as a director of a Singapore listed company as well as revision to laws or regulations (which are applicable to the Group) are disseminated to the Directors. News releases issued by the SGX-ST and the Accounting and Corporate Regulatory Authority ("**ACRA**") which are relevant to the Directors are also circulated to the Board.

The Company also has an induction program where new Directors are given the relevant orientation, training and guidance to familiarize the new Directors with the Group's business, organisation structure, corporate strategies, corporate policies and corporate governance practices to facilitate the effective discharge of their respective duties.

New Directors who do not have prior experience as a director of a public listed company in Singapore will have to undergo training programmes as required by the Singapore Exchange Regulation Pte. Ltd. within 1 year from his/her appointment. As at the date of this Annual Report, all current Directors of the Board have completed the mandatory prescribed courses conducted by the Singapore Institute of Directors pursuant to Rule 406(3)(a), Rule 720(6) and Practice Note 4D of the Catalist Rules.

In order for the Board to discharge its duties, the Directors have separate and independent access to the Management of the Company, including the Chief Executive Officer ("**CEO**"), the Chief Financial Officer ("**CFO**"), the Group Financial Controller ("**GFC**") and Company Secretary.

The Company Secretary and/or representatives from the Company Secretary's office attend all meetings of the Board and the Board Committees and prepare the minutes of such meetings. The minutes of such meetings are then circulated to the Board and the Board Committees, as the case may be. The Company Secretary also advises the Board on governance matters and ensures that the procedures for such meetings are in accordance with the Constitution, the relevant terms of reference and all applicable rules and regulations (including the requirements of the Companies Act 1967 of Singapore and the Catalist Rules) are complied with.

Further to the above, the Company Secretary helps to facilitate communication within and between the Board, the Board Committees, Management and the Directors. The appointment and removal of the Company Secretary is a matter for the Board as a whole. The Company allows Directors to obtain independent professional advice on matters affecting the Company, and such costs will be borne by the Company. In addition, Directors have, at all times, unrestricted access to the Company's records and information.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Provision 2.1 of the Code provides that an "independent" Director is one who is independent in conduct, character and judgment, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment in the best interests of the Company. The criterion for independence is further elaborated in the practice guidance accompanying the Code (the "**Practice Guidance**") and Rule 406(3)(d) of the Catalist Rules.

The independence of each Director is reviewed annually by the NC with reference to the criterion of independence set out in the Code, the Practice Guidance and the Catalist Rules (collectively, the "**Independence Criteria**"). Each Director is also required to disclose to the Board any relationships or circumstances as and when they arise, which are likely to affect, or could appear to affect the Director's judgment. In its review, the NC shall consider all nature of relationships and circumstances that could influence the judgement and decisions of the Directors before tabling its findings and recommendations to the Board for approval. Based on the aforesaid, the NC has identified each of the Non-Executive and Independent Directors as being independent, and the Board has taken into consideration the NC's review and has also determined that each of the Non-Executive and Independent Directors is independent.

As the Chairman is not independent due to his concurrent appointment as the CEO, the Board comprises of three Non-Executive and Independent Directors out of four Directors in FY2025 to take into account the guidance set out in Provisions 2.2 and 2.3 of the Code. The Non-Executive and Independent Directors are able to exercise independent judgement in the best interests of the Company and the Group, and this enables Management to benefit from their external and objective perspectives on issues that are brought before the Board.

The Board, through the NC, reviews the size and composition of the Board to ensure that (a) the size of the Board is conducive for effective discussion and decision-making; (b) the Board has the appropriate mix of expertise, skill, knowledge, experience and gender diversity, so as to avoid groupthink and foster constructive debate; and (c) the Board collectively possess the necessary core competencies for the effective functioning of and informed decision-making in the Company. Based on these requirements, the Board is of the opinion that for FY2025, its current Board size and composition is reasonably effective and efficient considering the nature, scope and size of the Group's business operations.

The Board has, at the recommendation of the NC, approved and adopted the Board diversity policy of the Company (the "**Board Diversity Policy**") to formalise the Company's approach towards achieving diversity on its Board. The Board Diversity Policy has been made available on the Company's website and can be found at https://www.zixingroup.com.sg/.

Under the Board Diversity Policy, diversity is drawn from different factors pertinent to the Company, such as varying skillsets, business experience, industry expertise, gender, age, cultural background, geographical background and nationality, tenure of service, overall suitability and other relevant distinguishing qualities (the "**Diversity Factors**"). The Board and the NC are aware that the Diversity Factors (or the particular importance of any one factor) may change from time to time depending on the needs of the Company. The NC will review and assess the Board composition having regard to, amongst others, the diversity of skills, experience, gender and knowledge of the Directors, the core competencies of the Directors as a group, and the requirements of the business. The NC will then make the necessary recommendation to the Board on its diversity on both an annual basis and as and when necessary.

If necessary, the NC will seek assistance from external search consultants for the selection of potential candidates that fit the criteria set by the NC for diverse, experienced and reputable candidates.

The Company sought to return to at least 20% female representation on its Board by end of FY2025 but has not been able to find a suitable candidate for female representation on the Board that would complement the competencies of the Board. The Company will continue its search for female representation on the Board, with a view to returning to at least 20% female representation on its Board by the end of the financial year ending 31 March 2027. The Company is also committed to ensuring that a majority of the Board consists of Independent Directors, and the Company has maintained such majority as of the date of this Annual Report.

On balance, the final decision on selection of Directors will be based on merit as well as whether the relevant candidate complements and improves the skills, experience and overall effectiveness of the Board as a whole.

The NC is of the view that the Board possesses adequate core competencies in areas such as accounting, finance, business and management experience, industry knowledge, strategic planning experience and experience or knowledge that are relevant to the Group. Mr Liang Chengwang's industry knowledge and expertise in managing the Group's business is complemented by Mr Lawrence Chen Tse Chau's and Mr Ng Poh Khoon's expertise in the areas of accounting, audit, financial control and business administration. This is further enhanced by Mr Xue Congyan's extensive experience in the capital markets industry, in which he can provide the Company with guidance on both fundraising and its strategic investments. Based on the aforesaid, the NC is of the view that the Board has a combination of skills, talents, experience and diversity drawn from a diverse Board that serves the needs and plans of the Company.

The Non-Executive and Independent Directors also constructively challenge and participate in setting strategies and goals for the Company and review as well as monitor Management's performance in the implementation of the agreed strategies and goals. Where necessary, the Non-Executive and Independent Directors will conduct meetings regularly amongst themselves without the presence of Management. The chairman of such meetings will then provide feedback to the Board and/or the Chairman as appropriate.

In light of the foregoing, the Board and the NC are of the view that the Board can exercise independent judgement on corporate affairs and that no one individual or group(s) of individuals dominates any decision-making process.

There is currently no Non-Executive and Independent Director who has served on the Board for more than nine (9) years.

Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

As at the date of this Annual Report, Mr Liang Chengwang is the Executive Chairman and CEO of the Company.

As the Executive Chairman, Mr Liang Chengwang assumes responsibilities for, amongst others, the effective function of the Board and exercises control over the quality, quantity and timeliness of the flow of information between Management and the Board and assisting in ensuring compliance with the Company's guidelines on corporate governance. In particular, the Executive Chairman is responsible for the overall management of the Board and has the following responsibilities:

(a) leading the Board, ensuring its effectiveness in all aspects of its role, and setting out its agenda;

(b) ensuring that the Directors receive complete, adequate, accurate, timely and clear information;

(c) critiquing key proposals by Management before they are presented to the Board;

(d) ensuring effective communication with Shareholders;

(e) encouraging constructive relations between the Board and Management;

(f) facilitating the effective contribution of the Non-Executive and Independent Directors towards the Company;

(g) encouraging constructive relations between the Executive Directors and the Non-Executive and Independent Directors; and

(h) promoting high standards of corporate governance.

Mr Liang Chengwang, in his role as the CEO, is primarily responsible for the day-to-day management of the operations and performance of the Group in accordance with the strategies, policies, budget and business plans as approved by the Board. Further to his role as the CEO, Mr Liang Chengwang reports to the Board on the Group's operations and performance.

The Board notes that the Company does not comply with Provision 3.1 of the Code, which provides that the role of the Chairman and the CEO should principally be separated to maintain an appropriate balance of power, increased accountability and to facilitate independent decision making by the Board. However, the Board is of the view that it is in the current best interests of the Group to adopt a single leadership structure, whereby the Chairman of the Board and the CEO is the same person, so as to ensure that the decision-making process of the Group can be effected efficiently to address the commercial realities of the Group's business.

The Board notes that Mr Liang Chengwang has actively promoted and emphasised the need to have in place a strong corporate governance culture. In FY2025, the Board had three Non-Executive and Independent Directors out of four Directors on the Board. Mr Lawrence Chen Tse Chau (Chen Shichao) also serves as the Lead Independent Director and is present to (i) provide leadership in situations where the Chairman is conflicted; and (ii) ensure that a channel of communication is always available to Shareholders where they have concerns and/or where contact through normal channels with Group's Executive Chairman, the CFO, GFC or Management has failed to resolve these concerns. In addition, the AC, NC and RC have consisted of all Non-Executive and Independent Directors in FY2025. As part of the Company's ongoing efforts to maintain strong corporate governance practices, as well as to further the continuous development and progression of its Directors, the Company had rotated the positions of its Lead Independent Director, AC Chairman and RC Chairman in the financial year ended 31 March 2024.

Another measure that the Board has put in place is to have the Board discuss and review all major proposals and decisions made by Mr Liang Chengwang. This is so as to ensure that there is an appropriate balance of power, increased accountability and independent decision making by the Board. In this regard, the Non-Executive and Independent Directors have participated actively in matters relating to business, finance, corporate governance, risk management, remuneration and appointment of Board members in FY2025. The performance and remuneration of Mr Liang Chengwang as the Executive Chairman and CEO is also periodically reviewed by the NC and the RC.

The Lead Independent Director and the other Non-Executive and Independent Directors also meet regularly on an informal basis to discuss any matters without the presence of Management as and when circumstances require. The Lead Independent Director will provide feedback to the Executive Chairman following such meetings, if it is necessary.

In light of the aforesaid, the Board believes that there are sufficient safeguards against an uneven concentration of power and authority in a single individual, and that no one individual or group(s) of individuals dominates any decision-making process. Accordingly, the Board is of the view that the existing leadership arrangement is effective but will as a matter of prudence, review the role of the Executive Chairman and the CEO as well as the composition of the Board on an on-going basis to ensure that it does not impede independent and objective decision-making.

CORPORATE GOVERNANCE REPORT

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board.

The Company has established the NC which is guided by the terms of reference approved by the Board.

As of the date of this Annual Report, the NC comprises three (3) members all of whom, including its Chairman, are Non-Executive and Independent Directors. The Lead Independent Director is also a member of the NC. The members of the NC are as follows:

Xue Congyan (Chairman)	Non-Executive and Independent Director
Ng Poh Khoon	Non-Executive and Independent Director
Lawrence Chen Tse Chau (Chen Shichao)	Non-Executive and Lead Independent Director

The NC is responsible for the following:

(a) reviewing succession plans for the Executive Chairman, Executive Director and key management personnel (including the CEO);

(b) reviewing, assessing, making recommendations to the Board on all Board appointments, including re-nominations, through a formal and transparent process which takes into account the Director's contribution and performance (for example, attendance, preparedness, participation and candour);

(c) determining annually whether or not a Director is independent pursuant to the Catalist Rules and the Practice Guidance;

(d) reviewing and approving any new employment of related persons and the proposed terms of their employment;

(e) reviewing the Directors' mix of skills, experience, core competencies and knowledge of the Company and its subsidiaries that the Board requires to function competently and efficiently;

(f) reviewing, assessing and recommending nominee(s) or candidate(s) for re-appointment or re-election to the Board and considering his competency, commitment, contribution, performance and whether or not he is independent;

(g) reviewing the training and professional development programs for the Board and its Directors;

(h) recommending comprehensive induction training programs for new Directors and reviewing the training and professional development programs for the Board to keep the Board apprised of relevant new laws, regulations and changing commercial risk;

(i) preparing and recommending, for approval of the Board, written guidelines on the division of responsibilities of the Chairman of the Board and the CEO (if applicable);

(j) determining and recommending to the Board the maximum number of listed company board representations which any Director may hold, and ensuring the disclosure of such limits in the Company's annual report;

(k) deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director of the Company, in particular when he has multiple board representations, and/or other principal commitments;

CORPORATE GOVERNANCE REPORT

(l) recommending to the Board internal guidelines to address the competing time commitments faced by Directors who serve on multiple boards and the maximum number of listed company board representations which any Director may hold; and

(m) assessing the effectiveness of the Board as a whole, the contribution of each individual Director to the effectiveness of the Board, and recommending the relevant process and objective criteria to assess the Board's and each Director's performance. The Chairman of the NC should act on the results of the performance evaluation and where appropriate, propose the appointment of new members to the Board or seek the resignation of Directors, in consultation with the members of the NC.

In the event that there is a need to change the structure of the Board, the Chairman of the Company or the membership of the Board Committees, the NC will review the proposed changes and will make the appropriate recommendations to the Board. In addition, the NC is also responsible for ensuring that the membership of the Board is refreshed progressively and in a systematic manner, to avoid losing institutional knowledge.

The NC also reviews the succession plans for the Company's key management personnel. The NC recognises the importance of succession planning as part of corporate governance and has implemented an internal process of succession planning for the Chairman of the Board, Directors, the CEO and Management, so as to ensure the progressive and systematic renewal of the Board and key management personnel. The NC will, in consultation with the Board and the Company's professional advisors, examine the existing Board's strength, the existing Board's capabilities, the existing Directors' contributions and take into account the future needs of the Company when considering such succession plans.

If the appointment of new Directors are required, the NC will identify potential candidates from various sources. If need be, the NC may seek assistance from external search consultants for the selection of potential candidates. Directors and Management may also put forward names of potential candidates, together with their curriculum vitae, for consideration.

Once the suitable candidate has been identified, the NC will deliberate on the background, skills, qualification and experience of that candidate. The factors taken into consideration by the NC could include, among others, the new Director's ability to add to or complement the mix of skills and qualifications in the existing Board, the relevance of his experience and the potential contributions that he could provide to the business of the Group.

The Board will subsequently review the candidate's qualifications, attributes and past experience followed by interviewing short-listed candidates. The proposed candidate's independence, expertise, background and suitable skills will be considered before the Board makes its final decision on the appointment. If the proposed appointments are approved by the Board, announcements relating to their appointment will subsequently be released via SGXNet.

The NC is responsible for the nomination of retiring Directors for re-election. In its deliberations on the nomination of a Director for re-election, the NC will take into account the current needs and composition of the Board as well as assess the competency, performance and contribution of the Director (including his attendance, preparedness and participation at Board and Board Committees meetings) against the performance criteria set out in Principle 5 below. Subject to the NC's satisfactory assessment, the NC would recommend the proposed election or re-election of the Director to the Board for its consideration and approval. Directors subject to retirement pursuant to the Company's Constitution will give his consent to seek for re-election and upon being determined to be eligible, will be recommended by the Board for re-election at the forthcoming annual general meeting of the Company.

In accordance with Articles 99(1) and (2) of the Company's Constitution, one-third of the Directors shall retire from office by rotation at each annual general meeting. In addition, Articles 99(3) and (4) state that the Directors to retire in every year shall be those subject to retirement by rotation who have been longest in office since their last re-election or appointment and that the retiring Directors are eligible to offer themselves for re-election. All Directors are required to retire from office at least once in every three years and, if applicable, submit themselves for re-nomination and re-election. In addition, Articles 81 and 100 state that all new Directors who are appointed as additional Directors or to fill up the vacancy occurring in the Board of Directors shall hold office only until the next annual general meeting and are eligible to offer themselves for re-election.

At the forthcoming annual general meeting, Mr Lawrence Chen Tse Chau (Chen Shichao) and Mr Xue Congyan are due for retirement and re-election pursuant to Article 99 of the Company's Constitution. After assessing the contributions of Mr Lawrence Chen Tse Chau (Chen Shichao) and Mr Xue Congyan, the Board has accepted the NC's recommendation that Mr Lawrence Chen Tse Chau (Chen Shichao) and Mr Xue Congyan be put forth for re-election.

Information relating to the retiring Directors who are retiring and offering themselves for re-election at the upcoming annual general meeting can be found in the "Disclosure Of Information On Directors Seeking Re-Election" on pages 155 to 161 of this Annual Report

The NC is also tasked with assessing the independence of the Non-Executive and Independent Directors. This review is done annually, and as and when the circumstances require. Annually, each Non-Executive and Independent Director is required to complete a Director's Declaration of Independence (the "**Independence Declaration**") to confirm his independence. The Independence Declaration is drawn up based on the Independence Criteria. The NC will then review the Independence Declaration completed by each of the Non-Executive and Independent Directors in order to assess the independence of each of the Non-Executive and Independent Directors before making a recommendation to the Board. For FY2025, the Non-Executive and Independent Directors have confirmed their independence in accordance with the Independence Criteria. The Board is of the view that Mr Lawrence Chen Tse Chau (Chen Shichao), Mr Ng Poh Khoon, and Mr Xue Congyan are independent. This is after taking into account the views of the NC pursuant to the annual review conducted by the NC and having considered the confirmations of independence provided by the Non-Executive and Independent Directors.

To ensure that new Directors are aware of their duties and obligations, a formal letter of appointment explaining their duties and obligations as Director is provided to every new Director upon appointment. The formal letter of appointment sets out the time commitment required of the Director and the Director's roles and responsibilities, including disclosure requirements and best practices relating to dealings in securities under applicable laws and regulations.

The NC is also responsible for ascertaining whether individual Directors have committed adequate time and attention to the Group's affairs. In this regard, the NC has considered the number of listed directorships each of its Directors can hold after taking into consideration factors such as the expected and/or competing time commitments of the Directors, the size and composition of the Board as well as the nature and scope of the Group's operations and size.

Based on the Directors' contributions at meetings of the Board and the Board Committees, as well as their time commitment to the affairs of the Company, the Board believes that it would not be meaningful to define the maximum limit on the number of listed company board representations and other principal commitments that any Director may hold, and has instead tasked the NC to review if a Director with multiple board representations is devoting sufficient time and attention to the affairs of the Company.

After conducting the annual reviews, the NC is satisfied that the current Directors have been able to devote adequate time and attention to the affairs of the Company and that they are able to satisfy their duties as Directors of the Company. In addition, as at the date of this Annual Report, the Company does not have any alternate Directors. Notwithstanding this, the NC will continue to review the board representations and other principal commitments of each Director to ensure that the Directors continue to meet the demands of the Group and are able to discharge their duties adequately. Further information about each Director's listed company board directorships and principal commitments can be found in the "Board of Directors" section of this Annual Report.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual Directors.

The NC is guided by its terms of reference and decides on how the Board's performance is to be evaluated. The NC has developed objective performance criteria, which address how the Board has enhanced long-term Shareholders' value and the effectiveness of the Board as a whole.

As part of the performance criteria, the NC will take into account financial indicators such as share price performance and return-on-equity as these factors allow for benchmarking of the Board's performance relative to that of the Company's competitors and industry peers. The Board will also consider non-financial indicators such as feedback received from investors (institutional and/or retail) and market analysts as these may serve as useful qualitative analysis by external parties.

In assessing the performance and effectiveness of the Board and its Board Committees, the NC also takes into account the Board Committees' and the Board's ability to work with Management, the discussions and deliberations of the Board and the Board Committees, and whether objectives and targets set at the commencement of the relevant financial years have been met. For the avoidance of doubt, the review of each individual Board member's performance and effectiveness, as well as the performance and effectiveness of the Board and the Board Committees are undertaken on a continuous basis by the NC with input from the various Board members.

In order to ensure that the Board and the Board Committees are able to achieve the above objectives, the Board has implemented a formal annual evaluation process to be carried out by the NC to assess the performance and effectiveness of the Board as a whole and its Board Committees, as well as the performance and contribution of each individual Director to the effectiveness of the Board.

For FY2025, the Directors participated in the evaluation process by providing feedback to the NC in the form of completing:

(a) a Board performance evaluation checklist, which covers several parameters such as the Board's composition, the conduct of Board meetings, the Board's processes, the Board's accountability, the Board's risk management and internal controls, and the Board's performance;

(b) the performance evaluation checklists for the AC, NC, and RC, which covers several parameters such as the composition of the Board Committees, conduct of Board Committee meetings, the processes of the Board Committees, accountability in the Board Committees, the performance of the Board Committees, and ease of communication between the Board and the Board Committees; and

(c) the Director performance evaluation checklist which covers several parameters such as the Director's skillsets, industry knowledge, contribution, and preparedness for Board and Board Committees meetings.

To ensure confidentiality, the evaluation checklists completed by the Directors were submitted to the Company Secretary for collation and the consolidated responses were presented to the NC for review and discussion. The NC has reported to the Board on its review of (i) the performance and the effectiveness of the Board and the Board Committees; and (ii) the performance and contribution of each individual Director to the effectiveness of the Board for FY2025. The NC has reviewed the overall performance and effectiveness of the Board and is of the view that the performance and effectiveness of the Board as a whole has been satisfactory. Based on the results collated from the evaluation checklists, the NC is also of the view that:

(1) the Board Committees and the Board have consistently performed well and effectively; and

(2) each individual Director has discharged his roles and responsibilities effectively and has contributed towards the effectiveness of the Board for the financial year.

No external facilitator was engaged in FY2025. If required, the NC has full authority to engage external facilitators to assist with the evaluation process.

B. REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual Directors and key management personnel. No Director is involved in deciding his or her own remuneration.

The Company has established the RC which is guided by the terms of reference approved by the Board.

As of the date of this Annual Report, the RC comprises three (3) members all of whom, including its Chairman, are Non-Executive and Independent Directors. The members of the RC are:

Ng Poh Khoon (Chairman)	Non-Executive and Independent Director
Lawrence Chen Tse Chau (Chen Shichao)	Non-Executive and Lead Independent Director
Xue Congyan	Non-Executive and Independent Director

The primary function of the RC is to advise the Board on compensation matters. The RC establishes remuneration policies that are in line with the Group's business strategies and risk policies as well as long-term interests of the Group and its Shareholders, with a view of ensuring that remuneration packages are sufficiently competitive to attract, retain and motivate Directors and key management personnel with the appropriate experience and expertise. In particular, in relation to the Directors and key management personnel, the RC bears in mind that a meaningful portion of their compensation should be contingent upon the financial performance of the Company, in order to foster the creation of long-term Shareholder value.

The responsibilities and principal functions of the RC, as set out in its terms of reference, include the following:

(a) reviewing and recommending a general framework of remuneration to the Board for endorsement by the entire Board, the specific remuneration packages and terms of employment (including termination terms) for each Director, the CEO (if the CEO is not a Director) and key management personnel (including but not limited to senior executive/divisional Directors/ those reporting directly to the Managing Director/Chairman/CEO/employee related to the Executive Directors or controlling Shareholders of the Group);

(b) reviewing and recommending for endorsement by the entire Board, share-based incentives or awards or any long-term incentive schemes which may be set up from time to time, in particular to review whether Directors and key management personnel should be eligible for such schemes and also evaluating the cost and benefits of such scheme and to do all acts necessary in connection therewith;

(c) functioning as the committee referred to in the Zixin Employee Share Option Scheme ("**Zixin ESOS**") and the Zixin Performance Share Plan ("**Zixin PSP**") (collectively referred to as the "**Schemes**") and shall have all the power as set out in the Schemes;

(d) carrying out its duties in the manner that it deems expedient, subject always to any regulations or restrictions that may be imposed upon the RC by the Board from time to time;

(e) ensuring that all aspects of remuneration including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits-in-kind are covered;

(f) that the remuneration packages should be comparable within the industry and to comparable companies and shall include a performance-related element coupled with appropriate and meaningful measures of assessing the performance of individual Directors and key management personnel;

(g) the remuneration packages of employees related to Executive Directors, CEO (if CEO is not a Director) and substantial or controlling Shareholders of the Group are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibility; and

(h) to ensure that contracts of service contain fair and reasonable termination clauses in the event of termination of the Executive Directors and key management personnel.

As part of its review, the RC will take into consideration the salary and employment conditions of similar roles within the same industry and in comparable companies, as well as the Group's relative performance and the performance of the CEO and key management personnel. This remuneration framework is recommended by the RC to the Board to ensure that the structure is competitive and sufficient to attract, retain and motivate the Executive Director and the key management personnel to run the Company successfully in order to maximise Shareholders' value.

There is a formal and transparent procedure for fixing the remuneration packages of the Directors. No individual Director is involved in deciding his own remuneration. All Non-Executive and Independent Directors are paid Directors' fees half-yearly on a standard fee basis. In addition, each member of the RC abstains from making any recommendation on or voting on any resolution in respect of his own Director's fees payable to them, except for providing information and documents specifically requested by the RC to assist it in its deliberations.

The RC will also review the terms and conditions of the service agreements of the Executive Director as well as the key management personnel before their execution. In the course of such review, the RC will consider the Group's obligations arising in the event of termination of the Executive Director and any of the key management personnel. This is to ensure that the service agreements contain fair and reasonable termination clauses and do not reward poor performance. In this regard, the RC has reviewed the terms of the service agreements for the Executive Director and the key management personnel and they are of the view that the Executive Director and the key management personnel have service agreements which include fair and reasonable terms for termination under appropriate notice and these service agreements are in line with market practices.

The RC is entitled to seek expert remuneration advice from external consultants whenever required. In the event that the RC decides that such professional advice is required, it will ensure that existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants.

The Company did not appoint any external remuneration consultant for FY2025.

CORPORATE GOVERNANCE REPORT

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

The RC has established remuneration policies that are in line with the Group's business strategies and risk policies as well as long-term interests of the Group and its Shareholders. The established remuneration policies are intended to ensure that remuneration packages are sufficiently competitive to (a) attract any new Directors with the appropriate experience and expertise; and (b) retain and motivate existing Directors to provide good stewardship of the Company and the key management personnel to successfully manage the Company for the long term.

The remuneration of the Executive Director and key management personnel comprise a basic salary component and a variable component (which is inclusive of bonuses and other benefits) so as to link rewards to corporate and individual performance. The annual review of remuneration is carried out by the RC to ensure that the remuneration of the Executive Director and key management personnel commensurate with their performance and that of the Company, giving due regard to the financial and commercial health and business needs of the Group.

In addition to the above, the RC has at its disposal the Zixin ESOS and the Zixin PSP to provide remuneration that link rewards to corporate and individual performance. The Zixin ESOS and Zixin PSP were approved by the Company's Shareholders by way of members' resolution in writing on 20 July 2015 and are administered by the RC. These performance-related elements of remuneration have been designed to align the interest of Executive Director, Management and staff with those of Shareholders and to link their rewards to corporate and individual performance. The Zixin ESOS and Zixin PSP serve as long-term incentive schemes for the Company to provide greater flexibility in structuring market-competitive compensation packages for eligible Group employees, Executive Director and Non-Executive Directors, including those who are also controlling Shareholders. The Zixin ESOS and the Zixin PSP will expire on 19 July 2025 and the Company is considering the adoption of a new employee share option scheme and performance share plan and shall seek the relevant approvals from its Shareholders for such adoption at the relevant juncture.

The Directors' fees for Non-Executive and Independent Directors are set in accordance with a remuneration framework based on the level of responsibility and scope of work. The Non-Executive Directors are paid Directors' fees in accordance with their level of contributions, taking into account factors such as efforts and time spent, as well as responsibilities and obligations of the Directors. Other factors taken into consideration include the current market circumstances, long-term interests and risk policies of the Company, and the need to attract Directors of experience and standing. The Non-Executive and Independent Directors' fees are compared against market standards to ensure that they are in line with market norms and to ensure that their independence is not compromised.

The Board has endorsed the remuneration framework. In addition, payment of Directors' fees is subject to approval by the Shareholders at the annual general meeting of the Company.

Disclosure on Remuneration

Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The remuneration framework is based on policies which are (a) aligned with the interests of Shareholders; and (b) intended to support the Group's business with the aim of retaining key capabilities and providing structured remuneration for sustainable value creation. Competitive remuneration packages are offered to attract and retain experienced individuals. The remuneration policies, the procedures for setting remuneration and the relationships between remuneration, performance and value creation are described in Principles 6 and 7 above.

CORPORATE GOVERNANCE REPORT

The details of the remuneration paid to the Directors for FY2025 are as follows:

	Salary[(1)] (S$)	Performance Based Bonus[(1)] (S$)	Directors' Fees (S$)	Other Benefits[(2)] (S$)	Total Remuneration (S$)
Executive Director and Chief Executive Officer					
Liang Chengwang	358,653	–	–	–	358,653
Non-Executive and Independent Directors					
Lawrence Chen Tse Chau (Chen Shichao)	–	–	50,000	–	50,000
Ng Poh Khoon	–	–	30,000	–	30,000
Xue Congyan	–	–	30,000	–	30,000

Notes:

(1) Salary and performance-based bonus include employer's contribution to the Central Provident Fund.

(2) Other benefits, where applicable, include granting of share options under the Zixin ESOS and granting of awards under the Zixin PSP.

The Company's key management personnel (who are not Directors) were paid an aggregate remuneration of S$ 291,004 in FY2025, in which their respective remuneration (disclosed in bands of S$ 250,000) are as follows:

	Salary[(1)] (%)	Performance Based Bonus[(1)] (%)	Directors' Fees (%)	Other Benefits[(2)] (%)	Total Remuneration (%)
Below S$ 250,000					
Yi Ming	100	–	–	–	100
Jee Meng Kwang	88	–	–	12	100

Notes:

(1) Salary and performance-based bonus include employer's contribution to the Central Provident Fund.

(2) Other benefits, where applicable, include granting of share options under the Zixin ESOS and granting of awards under the Zixin PSP.

The Company confirms that in FY2025 there were no termination, retirement and post-employment benefits granted to the Directors and key management personnel. In addition, no performance bonuses were paid to the Executive Director. Save for the share awards amounting in aggregate to 61,000,000 ordinary shares that was granted to the senior management of the Company pursuant to the Zixin PSP and duly announced on SGXNet on 22 March 2024, no Directors, key management personnel or employees were issued shares under the Zixin PSP or Zixin ESOS.

Mr Liang Chengwang is a substantial Shareholder of the Company. His shareholding in the Company is set out in the table below:

		Shareholding	
Name	**Position**	**Direct Interest**	**Deemed Interest**
Liang Chengwang	Executive Chairman and Chief Executive Officer	Nil	242,622,600 ordinary shares [(1)] (15.27%)

Note:

(1) Mr Liang Chengwang is deemed to be interested in the 242,622,600 ordinary shares held by CGS International Securities Singapore Pte. Ltd. as his nominee.

Save for Mr Liang Chengwang, there are no other employees who are substantial Shareholders of the Company, or are immediate family members of a Director, the CEO or a substantial Shareholder of the Company, whose remuneration exceeds S$ 100,000 in FY2025.

The Company has adopted the Zixin ESOS and the Zixin PSP which will provide eligible participants with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty. Such Schemes form an integral component of the compensation plan and are designed to primarily reward and retain Directors and employees whose services are vital to the growth and performance of the Group. The Zixin ESOS and the Zixin PSP will expire on 19 July 2025 and the Company is considering the adoption of a new employee share option scheme and performance share plan and shall seek the relevant approvals from its Shareholders for such adoption at the relevant juncture.

Save for the share awards amounting in aggregate to 61,000,000 ordinary shares that were granted to the senior management of the Company pursuant to the Zixin PSP and duly announced on SGXNet on 22 March 2024, no other share awards were granted under the Zixin PSP, and no options were granted under the Zixin ESOS. Further details of the Schemes are set out in the "Directors' Statement" section of this Annual Report.

C. ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its Shareholders.

The Board is responsible for the Group's overall internal control framework and for ensuring that Management complies with the Company's risk management framework and policies. In this regard, the Board, through the AC, ensures that the Management regularly reviews and improves the Group's internal controls, implements effective risk management policies to control, and mitigate any identified areas of significant business and operational risks. The internal controls in place are intended to (a) address the financial, operational, compliance and information technology risks; (b) provide reasonable assurance that there are no material financial misstatements or material loss; (c) ensure that there is maintenance of proper accounting records; (d) ensure that financial information is reliable and that assets are safeguarded; and (e) safeguard shareholders' interest and the Company's assets.

CORPORATE GOVERNANCE REPORT

Having considered the Company's business operations including its nature, scope and scale, as well as the existing internal control and risk management systems, the Board is of the view that a separate risk committee is not required for the time being. Notwithstanding this, the Board recognises that all risk management and internal control systems contain inherent limitations and that no cost-effective internal control system will preclude all errors and irregularities, as the system is designed to manage rather than eliminate the risks of failure to achieve business objectives and can only provide reasonable but not absolute assurance against misstatements or losses. Further to this, the Board also notes that there is no risk management and internal controls system that could provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors and reviews performed by Management, AC, and the Board, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls (including financial, operational, compliance, and information technology controls) and risk management systems were adequate and effective for FY2025.

The Board has received assurance from the CEO and CFO that the financial records of the Group for FY2025 have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances. In addition, the CEO and the key management personnel have also given assurance to the Board that the risk management and internal control systems are adequate and effective in addressing the financial, operational, compliance and information technology risks.

Audit Committee

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

The Company has established the AC which is guided by the terms of reference approved by the Board.

As at the date of this Annual Report, the AC comprises three (3) members all of whom, including its Chairman, are Non-Executive and Independent Directors. The members of the AC are:

Lawrence Chen Tse Chau (Chen Shichao) (Chairman)	Non-Executive and Lead Independent Director
Xue Congyan	Non-Executive and Independent Director
Ng Poh Khoon	Non-Executive and Independent Director

The AC members have many years of experience in senior management positions and possess recent and relevant accounting and/or related financial management expertise. The Board is of the view that the AC has sufficient accounting and/or financial management expertise and are appropriately qualified to discharge their responsibilities. More detailed profiles of the Directors are set out in the "Board of Directors" section of this Annual Report.

None of the committee members of the AC are former partners or directors of the Company's existing audit firm:

(a) within a period of two (2) years commencing on the date of their ceasing to be a partner of the audit firm; and

(b) for as long as they have any financial interest in the auditing firm.

The AC's primary function is to provide assistance to the Board of Directors by fulfilling its responsibilities relating to corporate accounting and audit reporting practices of the Company, the quality and integrity of the financial reports of the Company, and the Company's system of internal controls regarding finance, accounting, legal compliance and ethics as established by Management and the Board.

In this regard, the responsibilities and principal functions of the AC, as set out in its terms of reference, include:

(i) reviewing with the external auditors the audit plan, the evaluation of the system of internal accounting controls that are relevant to the audit, the audit report, the management letter and Management's response;

(ii) ensuring co-ordination where more than one audit firm is involved;

(iii) reviewing significant financial reporting issues, judgements, and the half-yearly and annual financial statements to ensure integrity of the said financial statements before submission to the Board for approval, including advising the Board if changes are needed to improve the quality of future interim financial statements or financial updates;

(iv) reviewing any formal announcements relating to the Company's financial performance;

(v) discussing problems and concerns, if any, arising from the audits, in consultation with the external auditors and the internal auditors where necessary;

(vi) meeting with the external auditors and the internal auditors without the presence of Management, at least annually, to discuss any problems and concerns they may have;

(vii) reviewing the assistance given by Management to the external auditors;

(viii) reviewing annually the adequacy, effectiveness, scope and results of the external audit, the nature and extent of non-audit services (if any) to the Company, as well as the independence and objectivity of the external auditors;

(ix) reviewing the internal audit program and the adequacy, effectiveness, independence, scope and results of the Company's internal audit function, ensuring that such functions are adequately resourced and have appropriate standing within the Company, as well as ensuring co-ordination between the internal auditor, the external auditors and Management;

(x) overseeing and advising the Board in formulating its risk policies to effectively identify and manage the Company's current (and future) risks in its financial, operational, compliance and information technology systems and all strategic transactions to be undertaken by the Company;

(xi) overseeing the design and implementation of the overall risk management systems and internal control systems (including financial, operational, compliance and information technology controls);

(xii) reviewing the adequacy and effectiveness of the Company's risk management and internal control systems (including financial, operational, compliance and information technology controls) and to report to the Board annually;

(xiii) reviewing and discussing with the external auditors, any suspected fraud or irregularity, or suspected infringement of any law, rules and regulations, which has or is likely to have a material impact on the Company's operating results or financial position, and Management's response;

(xiv) investigating any matter within its terms of reference, with full access to and cooperation by Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly;

(xv) reviewing the policy and arrangements by which staff of the Company and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensuring that arrangements are in place for such concerns to be raised and independently investigated and for appropriate follow up actions to be taken;

(xvi) reporting to the Board its findings from time to time on matters arising and requiring the attention of the AC;

(xvii) reviewing interested person transactions falling within the scope of the Catalist Rules;

(xviii) approving the hiring, removal, evaluation and compensation of the head of the internal audit function, or the accounting firm/auditing firm or corporation which the internal audit function is outsourced and ensuring that the internal audit function is staffed with persons with the relevant qualification and experience and that they carry out their function according to the standards set by nationally or internationally recognized professional bodies, including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors;

(xix) recommending to the Board the appointment, re-appointment and removal of the external auditors, and the remuneration and terms of engagement of the external auditors;

(xx) reviewing the audit representation letters before consideration by the Board, giving particular consideration to matters related to non-standard issues;

(xxi) undertaking such other reviews and projects as may be requested by the Board; and

(xxii) undertaking such other functions and duties as may be required by statute or the Catalist Rules, and such amendments made thereto from time to time.

The Board has delegated to the AC the authority to investigate any matter within its terms of reference. This authority includes further reviews of the assurance from the CEO and CFO on the financial records and financial statements put before the Board. The AC has full access to and the cooperation of Management. It has full discretion to invite any Director or executive officer, including any Director from any subsidiary board within the Group, to attend its meetings and has various resources, including external consultants, to enable it to discharge its responsibilities properly. The auditors, both internal and external, have unrestricted access to the AC.

The duties of the AC will entail fulfilling its terms of reference as set out above. During FY2025, the AC reviewed the half-year and full-year financial results, the quality and reliability of information prepared for inclusion in financial reports, policies and practices put in place by Management, results of the audits performed by internal and external auditors, and the register of interested person transactions. In addition, the AC also reviewed risk profiles and adequacy of the internal audit function, audit plans and scope, the effectiveness of the internal audit, and interviewed potential audit firms that were considered for appointment in place of RT LLP ("**RT**").

The AC has full access to and the co-operation of Management, and reasonable resources to enable it to discharge its functions properly. The AC meetings are held with the external auditors and by invitation, any Director and representatives from Management. The AC also meets with the external auditors and the internal auditors without the presence of Management at least annually to discuss any problems and concerns they may have. In the review of the financial statements for FY2025, the AC had discussed with Management and the external auditors the accounting principles that were applied and its judgement of items that might affect the integrity of the financial statements. Further to this, the AC had deliberated the key audit matters ("**KAMs**") presented by the external auditors together with Management. The AC had reviewed the KAMs and concurred with the external auditors and Management on their assessment, judgements and estimates on the significant matters reported by the external auditors as set out under the Independent Auditor's Report at pages 84 to 89 of this Annual Report.

RT had been appointed to audit the accounts of the Company and the Company's subsidiaries (both in Singapore and in China) for the purposes of consolidation of the accounts at the Group level for FY2025.

Further to the above, the AC also reviewed the independence and objectivity of the external auditors through discussions with the external auditors as well as reviewing the non-audit fees awarded to them. RT has not been engaged to perform any non-audit services for the Group for FY2025. The amount of fees that have been paid to RT for audit services for FY2025 is S$ 175,000.

The external auditors have also briefed the AC members on the developments in accounting standards (where applicable) during AC meetings to keep the AC members abreast of changes to the accounting standards and issues which have a direct impact on financial statements.

The AC, having reviewed the independence and objectivity of the external auditors as required under Section 206(1A) of the Companies Act 1967, is satisfied that the independence and objectivity of the external auditors is not affected. Further to this, after taking into account the resources and experience of RT and the audit engagement partner assigned to the audit, RT's other audit engagements, the size and complexity of the audit as well as the number and experience of the staff assigned by RT for the audit, the Board and the AC are of the view that RT is able to meet its audit obligations. In addition to having received the necessary confirmation that the audit team from RT has complied with and adhered to the Audit Quality Indicators Disclosure Framework published by ACRA, the AC has recommended to the Board that RT be nominated for re-appointment as the auditor of the Company at the forthcoming annual general meeting.

The Board recognises that it has a responsibility to maintain a system of internal control processes to safeguard Shareholders' investments and the Group's business and assets. Periodic reviews and testing of the system of internal controls is an important exercise to ensure that the control mechanism in place is working in the intended manner for which it is designed.

While the importance of working internal controls cannot be discounted, the Board also recognises that the size of the Group may not warrant an internal audit function and team within the Company, and that it may not be cost-effective or efficient to do so. Accordingly, the Company has outsourced its internal audit function to Enrome Advisory Pte. Ltd. ("**Enrome**"), a qualified firm of accountants which meets the standards set by internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The engagement team assigned by Enrome comprises two (2) members, and is headed by a director who has more than ten (10) years of experience in internal controls advisory, compliance, external audit and sustainability reporting for medium to major listed organisations in diverse industries (including food and beverage industry).

In assessing the engagement of Enrome, the AC has considered factors such as the resources of the internal auditors, the experience of the engagement team and the independence of the internal auditors from the activities that it audits. Enrome reports functionally to the AC, and administratively to the CEO and the CFO.

The AC ensures that Management provides good support to the internal auditors and provides them with unfettered access to documents, records, properties, and personnel when requested in order for the internal auditors to carry out their function accordingly. To ensure adequacy of the internal audit function, the AC also reviews and approves the internal auditor's scope of work. Non-compliance and internal control weaknesses noted during the internal audit and the recommendations thereof are reported to the AC as part of the review of the Group's internal control system. The AC also ensures that the approved audit recommendations are adequately performed.

The Company also has in place a "Whistle-blowing" policy by which staff may, in confidence, raise concerns either verbally or in writing (via email) about possible improprieties in matters of financial reporting or other matters within the Company to the Board as well as the AC directly. The Company is committed to ensuring protection of any whistleblower against detrimental or unfair treatment by designating the AC, which comprises solely Non-Executive and Independent Directors, to be responsible for oversight and monitoring of whistle-blowing matters. The objective of the "Whistle-blowing" policy is to ensure that arrangements are in place for independent investigations of such matters and for appropriate follow-up action to be taken. Following such investigations and upon further evaluation of the complaint and the findings of its investigations, the AC will then decide on the appropriate action to take, including but not limited to recommending disciplinary or remedial action, if any. The action determined by the AC to be appropriate shall then be brought to the Board or to the appropriate members of senior management for authorisation or implementation, respectively. To ensure the effectiveness of the "Whistle-blowing" policy, the AC ensures that the identity of the whistle-blower remains confidential to all except for the AC. This is done by enforcing certain measures such as (1) ensuring any interviews conducted with the whistle-blower is done without the presence of any other employees of the Company or Management, and (2) the whistle-blower's identity shall be redacted in any subsequent reports on the whistle-blowing matter or interviews with other parties involved. These measures ensure that the identity of the whistleblower remains confidential and protects the integrity of the whistle-blowing function. In order to achieve the objectives of the "Whistle-blowing" policy, Management has communicated the "Whistle-blowing" policy to the Group's employees and copies of it are also available at the Company's offices in China. There were no whistle-blowing reports received in FY2025.

The AC has reviewed the adequacy and effectiveness of the Group's internal audit function annually and is satisfied that for FY2025, the Group's internal audit function was independent, adequately resourced and had the appropriate standing in the Company to discharge its duties effectively. Accordingly, the Board and AC are of the view that the Group's internal audit function was independent, effective and adequately resourced for FY2025.

D. SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The Company treats all Shareholders fairly and equitably in order to enable them to exercise Shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives Shareholders a balanced and understandable assessment of its performance, position and prospects.

The Company is committed to treating all of its Shareholders fairly and equitably, and facilitating the exercise of Shareholders' rights. The Board regards the general meetings as opportunities to communicate directly with the Shareholders and encourages greater Shareholder participation. During these general meetings, Shareholders are able to engage with the Board and Management on the Group's business activities, financial performance and other business-related matters. Policies and procedures are also implemented to ensure that there is adequate disclosure of developments in the Group including, but not limited to, results announcements, any other material information or press releases made available to the public through the SGXNet in accordance with the Catalist Rules.

To facilitate participation by Shareholders, all general meetings of the Company are held in Singapore. Shareholders have the opportunity to participate effectively in and to vote at general meetings of Shareholders. Shareholders are informed of the rules, including voting procedures, that govern general meetings of Shareholders.

Pursuant to legislative amendments and taking into account the guidelines by the SGX-ST, the Company's annual general meeting in respect of FY2025 will be held wholly in physical format.

CORPORATE GOVERNANCE REPORT

The Company also tables separate resolutions at general meetings of Shareholders on each substantially separate issue. "Bundling" of resolutions are kept to a minimum and are done only where the resolutions are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company will explain the reasons and material implications in the notice of meeting. In compliance with Rule 730A(2) of the Catalist Rules, resolutions tabled at general meetings of Shareholders will be put to vote by poll, using polling slips, the procedures of which will be explained by the appointed scrutineer(s) at the general meetings of Shareholders.

General meetings of the Company are chaired by the Executive Chairman and CEO (or in other cases, the Lead Independent Director), and are also attended by other Directors, Management, the Company Secretary and if necessary, the external and internal auditors. At all general meetings, Shareholders are given the opportunity to air their views and to ask the Chairman, the individual Directors and the Chairmen of the Board Committees questions regarding the Company. The external auditors are also present to assist the Board in addressing Shareholders' queries about the conduct of the audit, and the preparation and contents of the auditors' report, if necessary. All Directors have attended all general meetings held during FY2025.

The Company encourages Shareholders to attend and participate actively during the general meetings to gain a better understanding of the Group's businesses and to be informed of the Group's strategic goals and objectives. Shareholders are able to engage the Board and Management on the Group's business activities, financial performance and other business-related matters during the general meetings. In this regard, in order to ensure that Shareholders are able to participate effectively in the general meetings, notices of general meetings are usually dispatched to the Shareholders at least 14 days before the general meeting if ordinary business are to be transacted at the meeting or at least 21 days before the meeting if special business are to be transacted at the meeting.

The Company's Constitution allows any Shareholder, who is unable to attend the general meetings in person, to appoint not more than two (2) proxies to attend and vote in his/her place at the general meetings via proxy forms submitted in advance (i.e. not less than forty-eight (48) hours before the time appointed for holding the general meeting). The proxy form is sent with the notice of general meetings to all Shareholders. The Company does not provide for absentia voting methods such as by mail, email, or fax due to concerns as to the integrity of such information and authentication of the identity of Shareholders voting by such means.

A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote at the annual general meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

The Company Secretary prepares the minutes of general meetings, which incorporate substantial and relevant comments or queries from Shareholders relating to the agenda of the meetings, and responses from the Board and Management. The Company's current practice is that the minutes of annual general meetings will be made available on its corporate website and on the SGXNet within 1 month after the general meeting.

The Company does not have a formal dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business conditions, development plans and other factors as the Directors may deem appropriate. Notwithstanding the foregoing, any payout of dividends will be communicated clearly to Shareholders via announcements released on SGXNet. However, there can be no assurance on the amount or timing of any dividends that may be paid in the future.

No dividend has been declared for FY2025. The decision not to distribute dividends stems from the Group's strategy to preserve its cash resources, taking into account the uncertainty of market conditions and the expansion of its operational activities in the upcoming year. By conserving cash resources, the Group aims to safeguard its ongoing operations and the progress of renovations and equipment and machinery acquisition in the new manufacturing facility and additional working capital required to run the new manufacturing facility. This approach is intended to prevent significant disruptions to the completion timeline and operations, as any delays would lead to increased overall costs.

In addition to the above, the Group intends to retain its cash resources for exploring any opportunities in increasing contracted farmlands through Co-operatives which will require advance payment for supplies of sweet potato.

The Board will continue to observe the situation and assess, among others, the Group's financial performance and position in respect of the relevant financial period, before deciding on whether to declare dividends.

Engagement with Shareholders

Principle 12: The Company communicates regularly with its Shareholders and facilitates the participation of Shareholders during general meetings and other dialogues to allow Shareholders to communicate their views on various matters affecting the Company.

The Board values dialogue with Shareholders and believes in regular, effective and fair communication with them and is committed to hearing Shareholders' views and addressing their concerns where possible. Accordingly, the Company has put in place an investors' relations policy which places emphasis on ensuring that all Shareholders are promptly informed of the major developments that impact the Group. In this regard, information is communicated to Shareholders on a timely basis via the SGXNet and the Company's corporate website through, among others:

(a) annual reports that are issued to all Shareholders;

(b) financial results containing a summary of the financial information and affairs of the Group;

(c) timely announcements and disclosures made pursuant to the Catalist Rules;

(d) notices of general meetings; and

(e) circulars or letters to Shareholders to provide the Shareholders with more information on its major transactions which require Shareholders' approval.

The Group monitors the dissemination of material information to ensure that it is made publicly available on a timely and non-selective basis. Half-year and full-year results as well as the annual report are announced or issued within the mandatory period.

The Board does not practise selective disclosure and adheres to the continuous disclosure obligations of the Company pursuant to the Catalist Rules and the investors' relation policy set out above. All disclosures will be made on a timely basis through SGXNet. Accordingly, the Group issues announcements and news releases on an immediate basis when required under the Catalist Rules. Where an immediate announcement is not possible, the announcement is made as soon as possible to ensure that the stakeholders and the public have fair access to the information.

Apart from encouraging Shareholders to communicate directly with and engage the Board and Management through general meetings, the Company also solicits the views of the Shareholders through analyst briefings and meetings with investors and fund managers. The Company has engaged an external investor relationship firm for the purpose of facilitating communications with its Shareholders as well as attending to their queries and concerns. This is in line with the objectives of the Company's investors' relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with Shareholders. The contact details of the external investor relationship firm are set out in the "Corporate Profile" section of this Annual Report.

Further to this, the Company is also open to meetings with investors and analysts, and in conducting such meetings, the Company is mindful of the need to ensure fair disclosures. In addition, the notices of general meetings are advertised in the press and published via SGXNet.

D. MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

A fundamental aspect of creating shared value within the communities is effective communication and dialogue with the Group's stakeholders. Accordingly, the Company recognises that a strong network of people, organisations, and communities would enable the Company to obtain a better understanding of the issues that are important and which have a direct or indirect impact to the Group's business.

The Group has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationship with such groups. The Group identifies stakeholders as groups that have an impact or have the potential to be impacted by the Group's business, as well as external organisations that have expertise in aspects that the Group considers material. The feedback the Group receives from stakeholders helps to determine the Group's material topics and identifies focus areas. Stakeholders of the Company include, but are not limited to, customers, employees, suppliers and subcontractors, and Shareholders and investors.

More information on the Group's material stakeholders, sustainability efforts (including its strategy and key areas of focus), and performance can be found under the "Sustainability Report" which will be published in accordance with Rule 711A of the Catalist Rules.

The Company also communicates and engages with its stakeholders via its website at https://www.zixingroup.com.sg/.

E. COMPLIANCE WITH APPLICABLE CATALIST RULES

Dealings in Securities

Pursuant to Rule 1204(19) of the Catalist Rules, the Company has adopted an internal policy on dealings in the Company's securities to provide guidance to its Directors and officers on this matter.

The Company, its Directors and officers are prohibited from dealing in the Company's securities during the period commencing one month before the announcement of the Company's half-year and full-year financial statements and ending on the date of announcement of the relevant results. In addition, both Directors and employees are prohibited from dealing in securities of the Company while in possession of price-sensitive information of the Group. Notifications regarding the above matters have been sent to all Directors and officers concerned.

The Directors are also required to notify the Company of any dealings in the Company's securities within two (2) days of the transaction and to submit an annual confirmation on their compliance with this internal policy. The Company, its Directors and officers are also discouraged from dealing in the Company's securities on short-term considerations. The Board confirms that as at the date of this Annual Report, the Company has complied with Rule 1204(19) of the Catalist Rules.

Interested Person Transactions

To ensure compliance with the relevant rules under Chapter 9 of the Catalist Rules on interested person transactions, the Company has established internal control procedures to ensure that any interested person transaction proposed to be entered into is regularly reviewed by the Board and AC and if so, to ensure that the Company complies with the requisite rules under Chapter 9 of the Catalist Rules.

If the Company does enter into an interested party transaction, and a potential conflict of interest arises, the Director concerned will abstain from any discussions and will also refrain from exercising any influence over other members of the Board.

There were no interested person transactions exceeding S$ 100,000 entered into during FY2025.

Material Contracts

Pursuant to Rule 1204(8) of the Catalist Rules, there were no material contracts entered into by the Group involving the interests of the CEO, any Director or controlling Shareholder of the Company, which are either still subsisting as at the date of this Annual Report, or if not then subsisting, entered into since the end of the previous financial year.

Non-Sponsor Fees

The Company is currently under the SGX-ST Catalist sponsor-supervised regime. RHB Bank Berhad ("**RHB**") is currently the continuing sponsor of the Company.

During FY2025, there were non-sponsor fees paid to RHB amounting to S$ 119,900.

Sustainability Reporting

Pursuant to Rule 711A and 711B of the Catalist Rules, the Company's sustainability report is set out from pages 25 to 51 of this Annual Report.

Use of Proceeds from Placement

The Company had previously raised S$ 11,900,000 in net proceeds (the "**Placement Net Cash Proceeds**") from the placement of 500,000,000 new ordinary shares in the Company, which was completed on 19 November 2021.

As per the Company's previous update on the utilisation of the Placement Net Cash Proceeds in its unaudited financial statements for the financial year ended 31 March 2025 dated 30 May 2025, the Placement Net Cash Proceeds has been fully utilised. The Placement Net Cash Proceeds has been utilised in accordance with the allocation as set out in the Company's announcements dated 21 September 2021 and 15 March 2024, and further particulars of the total utilisation of the Placement Net Cash Proceeds are set out below:

Intended Use of the Placement Net Cash Proceeds	Allocation of the Placement Net Cash Proceeds (1) (S$'000)	Amount utilised (S$'000)	Balance (S$'000)
Future expansion of the Group's business in Singapore	800	(800)	–
Renovation expenses, and acquisition of equipment and machinery for Fujian Zixin's new manufacturing facilities	8,400	(8,400)	–
Working capital for the Group (2)	2,700	(2,700)	–
	11,900	(11,900)	

Notes:

(1) Allocation of the Placement Net Cash Proceeds pursuant to the Company's announcements dated 21 September 2021 and 15 March 2024.

(2) A breakdown of the amount utilised for the working capital for the Group is as follows:

	Working Capital (S$'000)
Employee benefit expenses (including Director's remuneration)	1,135
Administrative and miscellaneous expenses	1,189
Directors' fee	210
Accruals and other payables	166
Total	2,700

Use of Proceeds from Rights Cum Warrants Issue

The Company has also raised S$ 2,104,000 in net proceeds (the "**Rights Net Cash Proceeds**") from the issuance of 144,481,810 rights shares and with 577,927,240 free detachable warrants, in which the rights shares and warrants were duly issued on 21 June 2024 and 24 June 2024 respectively.

As per the Company's previous update on the utilisation of the Rights Net Cash Proceeds in its unaudited financial statements for the financial year ended 31 March 2025 dated 30 May 2025, the Rights Net Cash Proceeds has been fully utilised. The Rights Net Cash Proceeds has been utilised in accordance with the allocation as set out in the Company's announcement dated 20 June 2024, and further particulars of the total utilisation of the Rights Net Cash Proceeds are set out below:

Intended Use of the Rights Net Cash Proceeds	Allocation of the Placement Net Cash Proceeds (1) (S$'000)	Amount utilised (S$'000)	Balance (S$'000)
Expansion of the Group's business and operations in the People's Republic of China	1,262	(1,262)	–
General working capital for the Group's activities in Singapore and expansion of the Group's business and operations in Singapore (2)	842	(842)	–
	2,104	(2,104)	

Notes:

(1) Allocation of the Rights Net Cash Proceeds pursuant to the Company's announcement dated 20 June 2024.

(2) A breakdown of the amount utilised for the working capital for the Group is as follows:

	Working Capital (S$'000)
Administrative expenses	290
Employee benefit expenses (including Director's remunerations)	442
Professional fee	71
Directors' fee	39
Total	842

DIRECTORS' STATEMENT

For the financial year ended 31 March 2025

The directors of the Company hereby present the accompanying audited consolidated financial statements of Zixin Group Holdings Limited (the "Company") and its subsidiaries (the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 March 2025.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

(a) the accompanying consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2025 and of the financial performance, changes in equity and cash flows of the Group, and statement of changes in equity of the Company for the financial year ended on that date in accordance with Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The board of directors has, on the date of this statement, approved and authorised these financial statements for issue.

2. DIRECTORS

The directors of the Company in office at the date of this statement are:

Liang Chengwang	Executive Chairman and Chief Executive Officer
Lawrence Chen Tse Chau (Chen Shichao)	Non-Executive and Lead Independent Director
Ng Poh Khoon	Non-Executive and Independent Director
Xue Congyan	Non-Executive and Independent Director

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in shares in or debentures of the Company or other related body corporate as recorded in the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act 1967 (the "Act") except as follows:

	Number of ordinary shares			
	Shareholdings registered in their own names		Shareholdings in which a director is deemed to have an interest	
Name of directors and company in which interest are held	**At the beginning of financial year**	**At the end of financial year**	**At the beginning of financial year**	**At the end of financial year**
Ordinary shares of the Company				
Liang Chengwang	–	–	220,566,000	242,622,600
Warrant shares of the Company				
Liang Chengwang	–	–	–	88,226,400

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONT'D)

The director interests as at 21 April 2025 were same as those as at the end of the financial year.

By virtue of section 7 of the Act, Mr Liang Chengwang is deemed to have an interest in all the related body corporates of the Company.

4. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objective was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share options" in this statement.

5. SHARE OPTIONS AND PERFORMANCE SHARES

Share options

During the reporting year, no option to take up unissued shares of the Company or other body corporate in the Group was granted.

At the end of the reporting year, there were no unissued shares of the Company or other body corporate in the Group under option.

Zixin Employee Share Option Scheme

The Zixin Employee Share Option Scheme (the "Scheme") was approved by the shareholders of the Company at an extraordinary general meeting held on 20 July 2015.

The Scheme shall continue to be in force at the discretion of the Remuneration Committee ("RC"), subject to a maximum period of 10 years commencing on the date the Scheme was adopted by the Company in the general meeting i.e. 20 July 2015, provided always that the Scheme may continue beyond the above stipulated period with the approval of shareholders by an ordinary resolution in a general meeting and any relevant authorities which may then be required.

The Scheme may be terminated at any time by the RC or by a resolution of the Company in a general meeting subject to all relevant approvals, which may be required, and if the Scheme is terminated, no further option shall be offered by the Company.

The Scheme provides for the grant of ordinary shares of the Company to employees, executive directors, non-executive directors (including independent directors) of the Company and its subsidiaries, including those who may be the controlling shareholders.

The Scheme is administered by the RC comprising three directors, namely, Mr Lawrence Chen Tse Chau (Chen Shichao), Mr Xue Congyan and Mr Ng Poh Khoon in its absolute discretion with such powers and duties as may be conferred on it by the board of directors of the Company, which will determine the terms and conditions of the grant of the options. Where a member of the RC is also a proposed participant, he/she will not be involved in the deliberations and decisions of the RC in respect of the options granted, or to be granted, to him/her or his/her associate(s).

5. SHARE OPTIONS AND PERFORMANCE SHARES (CONT'D)

Zixin Employee Share Option Scheme (cont'd)

The aggregate number of new shares that may be allotted and issued from time to time upon the exercise of the options granted pursuant to the Scheme ("Option Shares") over which the RC may grant options on any date (including the number of Option Shares which have been and are to be issued upon the exercise of the options in respect of all options granted under the Scheme and any other share scheme then in force) shall not exceed 15% of the total number of shares (excluding treasury shares and subsidiary holdings) on the day preceding that date.

The aggregate number of Option Shares over which options may be granted under the Scheme to controlling shareholders and/or their associates shall not exceed 25% of the Option Shares available under the Scheme, and the number of Option Shares over which an option may be granted under the Scheme to each controlling shareholder or his/her associate shall not exceed 10% of the Option Shares available under the Scheme.

Subject to any adjustment pursuant to Rule 10 of the Rules of the Scheme, the exercise price for each share in respect of which an option is exercisable shall be payable upon the exercise of the option and shall be determined by the RC in its absolute discretion, on the date of grant, and fixed by the RC at:

(a) the market price; or

(b) a price which is set at a discount to the market price, provided that:

  (i) the maximum discount shall not exceed 20% of the market price. The RC shall have the sole and absolute discretion to determine the exact amount of discount to each participant; and

  (ii) the shareholders in a general meeting shall have authorised, in a separate resolution, the making of offers and grants of options under the Scheme at a discount not exceeding the maximum discount as aforesaid.

Options granted with the exercise price set at market price shall only be exercisable, in whole or in part (provided that an option may be exercised in part only in respect of 100 shares or any multiple thereof), by a participant after the first anniversary of the date of grant of that option, and options granted with the exercise price set at a discount to market price shall only be exercisable by a participant after 2 years from the date of grant of that option.

Group employees (including executive directors) who are granted options must exercise their options before the 10th anniversary from the date of grant and Group non-executive directors (including independent directors) who are granted Options must exercise their options before the 5th anniversary from the date of grant, failing which all unexercised options shall immediately lapse and become null and void and a participant shall have no claim against the Company.

Since the approval of the Scheme by the shareholders of the Company, no option was granted.

5. SHARE OPTIONS AND PERFORMANCE SHARES (CONT'D)

Zixin Performance Share Plan

The Zixin Performance Share Plan (the "Plan") was approved by the shareholders of the Company at an extraordinary general meeting held on 20 July 2015.

The Plan shall continue to be in force at the discretion of the RC, subject to a maximum period of 10 years commencing on the date the Plan was adopted by the Company in the general meeting i.e. 20 July 2015, provided always that the Plan may continue beyond the above stipulated period with the approval of shareholders by an ordinary resolution in a general meeting and any relevant authorities which may then be required.

The Plan may be terminated at any time by the RC or by resolution of the Company in general meeting subject to all relevant approvals, which may be required, and if the Plan is terminated, no further award shall be vested in the Company.

The Plan is administered by the RC comprising three directors, namely, Mr Lawrence Chen Tse Chau (Chen Shichao), Mr Xue Congyan and Mr Ng Poh Khoon, in its absolute discretion with such powers and duties as may be conferred on it by the board of directors of the Company, which will determine the terms and conditions of the grant of the awards. Where a member of the RC is also a proposed participant, he/she will not be involved in the deliberations and decisions of the RC in respect of the awards granted, or to be granted, to him/her or his/her associate(s).

The Company will be delivering shares pursuant to the award granted under the Plan in the form of existing shares held as treasury shares and/or an issue of new shares that may be allotted and issued from time to time upon the vesting of an award granted pursuant to the Plan. The performance shares issued under the Plan, when added to all awards granted under any other share option, share incentive, performance share or restructured share plan implemented by the Company and for the time being in force, shall not exceed 15% of the issued share capital of the Company from time to time.

In determining whether to issue performance share or to purchase existing shares for delivery to participants upon vesting of their award, the Company will take into account factors such as (but not limited to) the number of shares to be delivered, the prevailing market price of the shares and the financial effect on the Company of either issuing performance shares or purchasing existing shares.

Insofar as in relation to the number of treasury shares that may be held pursuant to the Act as amended by the Companies (Amendment) Act 2014, such a method is not subject to any further limit under prevailing legislation and Singapore Exchange Securities Trading Limited ("SGX-ST") guidelines as it does not involve the issuance of any performance shares.

An award letter confirming the award and specifying, *inter alia*, in relation to the award, the prescribed performance target(s), the performance period during which the prescribed performance target(s) are to be satisfied and the date by which the award shall be vested, will be sent to each participant as soon as reasonably practicable after the award is finalised. Notwithstanding that a participant may have met his/her performance targets, no award shall vest in a participant in the following circumstances:

(a) upon the bankruptcy of a participant or the happening of any other event which results in his/her being deprived of the legal or beneficial ownership of such award;

(b) in the event of any misconduct of a participant as determined by the RC in its discretion;

(c) in the event that the RC shall, in its discretion, deems it appropriate that such award shall so lapse on the grounds that any of the objectives of the Plan have not been met; or

5. SHARE OPTIONS AND PERFORMANCE SHARES (CONT'D)

Zixin Performance Share Plan (cont'd)

(d) in the event that the participant ceases to be employed by the Company before vesting of the award to him/her.

The intention is to award shares based on pre-determined dollar amounts such that the quantum of shares comprised in award is dependent on the closing price of shares transacted on the market day the award is vested. The RC will also monitor the grant of award carefully to ensure that the size of the Plan complies with the relevant rules of the SGX-ST.

On 22 March 2024, the Company granted the Awards under the Zixin Performance Share Plan to the senior management of the Company. The Awards were vested on 30 April 2024 and the Company has issued and allotted 61,000,000 new ordinary shares in the capital of the Company to its senior management. For details, please refer to the announcement dated 22 March 2024.

No performance shares were awarded to Directors of the Company and controlling shareholders of the Company or their associates during the financial year ended 31 March 2025.

No performance shares were outstanding as at 31 March 2025.

6. AUDIT COMMITTEE

The members of the audit committee at the date of this report are as follows:

Lawrence Chen Tse Chau (Chen Shichao)	Chairman
Xue Congyan	Member
Ng Poh Khoon	Member

The audit committee performs the functions specified by section 201B(5) of the Act. Among other functions, it performed the following:

(a) reviewed with the independent external auditors their audit plan;

(b) reviewed with the independent external auditors their evaluation of the Company's internal accounting controls that are relevant to their statutory audit, their report on the financial statements and the assistance given by the management to them;

(c) reviewed with the internal auditors their scope and results of the internal audit procedures (including those relating to financial, operational, compliance and information technology controls and risk management) and the assistance given by management to them;

(d) reviewed the financial statements of the Group and the Company prior to their submission to the board of directors of the Company for adoption; and

(e) reviewed the interested person transactions (as defined in Chapter 9 of the SGX-ST Listing Manual Section B: Rule of Catalist).

DIRECTORS' STATEMENT

For the financial year ended 31 March 2025

6. AUDIT COMMITTEE (CONT'D)

Other functions performed by the audit committee are described in the Corporate Governance Report included in the Annual Report of the Company. It also includes an explanation of how independent auditors' objectivity and independence is safeguarded where the independent auditors provide non-audit services.

The audit committee has recommended to the board of directors that the independent auditor, RT LLP, be nominated for re-appointment as the independent auditors at the next annual general meeting of the Company.

7. INDEPENDENT AUDITOR

RT LLP has expressed willingness to accept re-appointment.

On behalf of the Board of Directors

....	....
Liang Chengwang	Ng Poh Khoon
Director	Director

15 July 2025

INDEPENDENT AUDITOR'S REPORT

To the members of Zixin Group Holdings Limited
For the financial year ended 31 March 2025

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Zixin Group Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2025 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Group and the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT

To the members of Zixin Group Holdings Limited
For the financial year ended 31 March 2025

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the matter was addressed in the audit
Upfront payments for supplies of sweet potatoes	
As stated in Note 19, the carrying amount of the upfront payments made to five key suppliers and short term suppliers as at 31 March 2025 is RMB 87,775,000 and RMB 55,146,000 respectively. <u>Upfront payment for short term suppliers of sweet potatoes</u> The Group, through three of its subsidiaries had entered into various purchase contracts with a few suppliers to secure the supply of quality raw sweet potatoes at reasonable prices. These upfront payments grant the subsidiaries the first right of refusal of the supply of sweet potatoes. <u>Upfront payment for key suppliers of sweet potatoes</u> The Group, through one of its subsidiaries, Liancheng Dizhongbao Modern Agriculture Development Co., Ltd. ("Dizhongbao"), had entered into purchase contracts in prior years with a few suppliers and made upfront payments to secure the supply of quality raw sweet potatoes at fixed prices of at least 10% lower to the market prices when the contracts were entered into. All the above-mentioned agreements carry similar terms. The agreements last for 15 years and grant Dizhongbao with the first right of refusal of the supply of sweet potatoes. In return, Dizhongbao pays upfront payments to the suppliers once every 5 years. The upfront payments are used to offset the purchase within the 5 years. In case of the upfront payments are fully utilised within the 5 years, the payment of subsequent purchase is due according to the agreed terms per the respective contracts.	We consider the audit of upfront payments for suppliers of sweet potatoes to be a key audit matter due to the magnitude of the amount recognised in the financial statements. Our audit procedures focused on evaluating the business rationale of these transactions and the financial ability of the suppliers to fulfil their commitments to supply the sweet potatoes to the Group. These procedures include: • Sighting of suppliers' invoices on the purchases during the financial year; • Assessed management's estimation on the upfront payments classification in current and non-current assets; • Obtained confirmations from the suppliers to confirm the upfront payment balances as at 31 March 2025; • Assessed the recoverability and validity of the upfront payment balances by checking whether the suppliers have fulfilled their commitment in supplying the raw sweet potatoes over the past years; and • Assessed the purchase prices entered into with the suppliers during the financial year were discounted as agreed in the agreements with the suppliers.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key audit matters (cont'd)

Key Audit Matters (cont'd)	How the matter was addressed in the audit
Impairment assessment of investments in subsidiaries	
As stated in Note 17, the Company has investments in subsidiaries with carrying amount of RMB 803,636,000 (before impairment loss) as at 31 March 2025. SFRS(I) 1-36 *Impairment of Assets* requires that when there is any indication of impairment, the reporting entity shall estimate the recoverable amount of that asset. During the current financial year, management performed an impairment test for the investment in Zixin International Pte. Ltd. as the cost of investment in the subsidiary is higher than its net tangible assets. The recoverable amount is defined as the higher of the subsidiary's fair value ("FV") less cost of disposal and its value in use ("VIU"). Management is of the view that there is no basis for making a reliable estimate of the price, that is, fair value at which an orderly transaction to sell the asset could not be reliably estimated, and therefore has used VIU as the recoverable amount. Accordingly, management has developed the VIU valuation as its recoverable amount. During the financial year, no impairment loss on its investment in a subsidiary as the VIU (recoverable amount) is higher than the book value. The significant judgment, assumptions and estimates, including the basis, used for the assessment of the recoverable amount of investment in a subsidiary are disclosed in Note 17A to the financial statements.	We consider the audit of investments in subsidiaries to be a key audit matter due to the significant management judgments and estimations involved. Our audit focused on evaluating the key assumptions, judgments and estimations used by management in conducting the valuation and impairment review of the subsidiary. Our audit procedures included but were not limited to the following: • Challenged and tested the assumptions, judgments and estimations used in VIU valuation and assessed the accuracy of the historical data and reasonableness of projections used in forecast model as the basis for arriving at the estimated discounted future cash flows ("DCF"); • Tested the integrity of inputs of the projected cash flows used in the valuation; and • Reviewed and challenged the cash flow forecasts used with the comparison to recent information, historical trend analysis to the extent relevant.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's and the Company's ability to continue as going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's and the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditor's responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with SSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as going concerns. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITOR'S REPORT

To the members of Zixin Group Holdings Limited
For the financial year ended 31 March 2025

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditor's responsibilities for the Audit of the Financial Statements (cont'd)

From the matters communicated with the directors, we determine those matters that were of most significant in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditor have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ms. Heng Sot Leng.

RT LLP
Public Accountants and
Chartered Accountants

Singapore, 15 July 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 March 2025

	Notes	2025	2024
			Restated
		RMB'000	RMB'000
Revenue	5	424,680	319,010
Cost of sales		(280,303)	(216,951)
Gross profit		144,377	102,059
Finance income	6	1,203	727
Other income	7	326	410
Other gains	8	659	–
Marketing and distribution costs	9	(29,313)	(34,409)
Administrative expenses	10	(58,225)	(42,535)
Other losses	11	(632)	(2,456)
Other operating expenses		(5)	(8)
Finance costs	6	(3,289)	(2,323)
Profit before income tax		55,101	21,465
Income tax expenses	13	(12,381)	(8,111)
Profit for the year, net of tax		42,720	13,354
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		(822)	657
Total comprehensive income for the year		41,898	14,011
		RMB cents	**RMB cents**
Earnings per share			
Basic and diluted earnings per share	14	2.75	0.97

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2025

		Group		Company	
		2025	2024	2025	2024
	Notes	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Non-current assets					
Property, plant and equipment	15	201,034	175,744	–	–
Intangible assets	16	70,924	69,442	–	–
Investments in subsidiaries	17	–	–	803,636	803,636
Investment in unquoted shares	18	1,800	900	–	–
Other assets, non-current	19	66,762	91,279	–	–
Deferred tax assets	13	–	–	–	–
Total non-current assets		340,520	337,365	803,636	803,636
Current assets					
Inventories	20	4,473	2,652	–	–
Trade and other receivables	21	91,882	53,789	113,202	106,238
Other assets, current	19	91,308	62,871	–	450
Cash and bank balances	22	183,167	156,151	49	7
Total current assets		370,830	275,463	113,251	106,695
Total assets		711,350	612,828	916,887	910,331
EQUITY AND LIABILITIES					
Equity					
Share capital	23	258,887	239,150	958,311	938,574
Retained earnings/(accumulated losses)		264,841	226,604	(104,967)	(88,692)
Other reserves	24	51,839	48,178	55,756	54,819
Total equity		575,567	513,932	909,100	904,701
Non-current liabilities					
Other payables, non-current	25	2,561	6,466	–	–
Lease liability, non-current		–	33	–	–
Total non-current liabilities		2,561	6,499	–	–
Current liabilities					
Income tax payable		2,608	2,300	–	–
Trade and other payables	25	55,748	31,372	7,787	5,630
Lease liability, current		21	225	–	–
Bank loans	26	74,845	58,500	–	–
Total current liabilities		133,222	92,397	7,787	5,630
Total liabilities		135,783	98,896	7,787	5,630
Total equity and liabilities		711,350	612,828	916,887	910,331

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2025

Group:	Share capital RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total equity RMB'000
Opening balance at 1 April 2023	239,150	46,155	214,616	499,921
Total comprehensive income for the year				
Profit for the year	–	–	13,354	13,354
Other comprehensive income for the year	–	657	–	657
Total comprehensive income for the year	–	657	13,354	14,011
Transactions with owners, recognised directly in equity				
Transfer to statutory common reserve (Note 24A)	–	1,366	(1,366)	–
Closing balance at 31 March 2024	239,150	48,178	226,604	513,932
Opening balance at 1 April 2024	239,150	48,178	226,604	513,932
Total comprehensive income for the year				
Profit for the year	–	–	42,720	42,720
Other comprehensive loss for the year	–	(822)	–	(822)
Total comprehensive income for the year	–	(822)	42,720	41,898
Transactions with owners, recognised directly in equity				
Transfer to statutory common reserve (Note 24A)	–	4,483	(4,483)	–
Issuance of new shares	13,157	–	–	13,157
Capital contribution reserve (Note 24D)	–	(9,000)	–	(9,000)
Transfer to warrant reserve (Note 24C)	–	9,000	–	9,000
Zixin Performance Share Plan (Note 23B)	6,580	–	–	6,580
Closing balance at 31 March 2025	258,887	51,839	264,841	575,567

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2025

Company:	Share capital RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total equity RMB'000
Opening balance at 1 April 2023	938,574	50,970	(364,607)	624,937
Total comprehensive income for the year				
Profit for the year	–	–	275,915	275,915
Other comprehensive income for the year	–	3,849	–	3,849
Total comprehensive income for the year	–	3,849	275,915	279,764
Closing balance at 31 March 2024	938,574	54,819	(88,692)	904,701
Opening balance at 1 April 2024	938,574	54,819	(88,692)	904,701
Total comprehensive income/(loss) for the year				
Loss for the year	–	–	(16,275)	(16,275)
Other comprehensive income for the year	–	937	–	937
Total comprehensive income/(loss) for the year	–	937	(16,275)	(15,338)
Transactions with owners, recognized directly in equity				
Issuance of new shares	13,157	-	–	13,157
Capital contribution reserve (Note 24D)	–	(9,000)	–	(9,000)
Transfer to warrant reserve (Note 24C)	–	9,000	–	9,000
Zixin Performance Share Plan (Note 23B)	6,580	–	–	6,580
Closing balance at 31 March 2025	958,311	55,756	(104,967)	909,100

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2025

	2025 RMB'000	2024 RMB'000
Cash flows from operating activities		
Profit before income tax	55,101	21,465
Adjustments for:		
Interest income	(1,203)	(727)
Interest expense	3,289	2,323
Depreciation of property, plant and equipment	19,822	15,518
Property, plant and equipment written-off	195	849
Amortisation of intangible assets	5,856	5,294
Provision for expected credit losses on trade receivables	194	158
Staff compensation – performance share	6,580	–
Exchange differences on translation	(823)	657
Operating cash flows before changes in working capital	89,011	45,537
Changes in working capital:		
Inventories	(1,821)	(689)
Trade and other receivables	(38,287)	(32,002)
Other assets	51,136	59,739
Trade and other payables	20,472	(1,973)
Net cash flows generated from operations	120,511	70,612
Income taxes paid	(12,072)	(4,340)
Net cash flows generated from operating activities	108,439	66,272
Cash flows from investing activities		
Additions to property, plant and equipment	(45,307)	(49,335)
Additions to intangible assets	(7,338)	–
Additions of investment in unquoted shares	(900)	(900)
Upfront payments for key suppliers of sweet potatoes	–	(75,000)
Upfront payments for short term suppliers of sweet potatoes	(55,057)	–
Interest income received	1,203	727
Net cash flows used in investing activities	(107,399)	(124,508)
Cash flows from financing activities		
Proceeds from issuance of shares	13,157	–
Proceeds from new bank loans	71,845	58,500
Repayment of bank loans	(55,500)	(47,100)
Payment of lease liability	(237)	(186)
Interest paid	(3,289)	(2,323)
Net cash flows generated from financing activities	25,976	8,891
Net increase/(decrease) in cash and balances	27,016	(49,345)
Cash and bank balances, beginning balance	156,151	205,496
Cash and bank balances, ending balance (Note 22)	183,167	156,151

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2025

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES:

		Non-cash changes		
	As at 1 April	Accretion of interests	Financing cash flows	As at 31 March
	RMB'000	RMB'000	RMB'000	RMB'000
31 March 2025				
Bank loans (Note 26)	58,500	3,264	13,081	74,845
Lease liability	258	25	(262)	21
	58,758	3,289	12.819	74,866
31 March 2024				
Bank loans (Note 26)	47,100	2,305	9,095	58,500
Lease liability	444	18	(204)	258
	47,544	2,323	8,891	58,758

The accompanying notes form an integral part of these financial statements.
These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

1.1 The Company

Zixin Group Holdings Limited (the "Company") is a limited liability company incorporated in Singapore. The Company is listed on the Catalist of the Singapore Exchange Securities Trading Limited (the "Singapore Exchange").

The registered office and principal place of business of the Company is located at 60 Paya Lebar Road, Paya Lebar Square #13-40 Singapore 409051.

The financial statements for the reporting year ended 31 March 2025 comprise those of the Company and its subsidiaries (collectively, the "Group").

The principal activity of the Company is that of an investment holding company. The principal activities of the Company's subsidiaries are disclosed in Note 17 to the financial statements below.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended 31 March 2025 were approved and authorised for issue by the Board of Directors on the date of the Directors' Statement.

1.2 Accounting convention

Basis of preparation

These financial statements have been prepared in accordance with the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)s") under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Chinese Renminbi ("RMB"). All financial information presented in Chinese Renminbi has been rounded to the nearest thousand ("RMB'000"), unless otherwise indicated.

The preparation of the financial statements in conformity with SFRS(I)s requires management to exercise its judgment in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2B.

New and revised standards

The accounting policies adopted are consistent with those of the previous financial year except that effective on 1 April 2024, the Group has adopted the following new and revised standards that are mandatory for application for the current financial year:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to SFRS(I) 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to SFRS(I) 1-1: Non-current liabilities with Covenants	1 January 2024
Amendments to SFRS(I) 1-7 and SFRS(I) 7: Supplier Finance Arrangements	1 January 2024

1. GENERAL (CONT'D)

1.2 Accounting convention (cont'd)

Basis of preparation (cont'd)

New and revised standards but not yet effective

At the date of authorisation of these financial statements, the Group has not adopted the following new and revised standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-21: Lack of Exchangeability	1 January 2025
Amendments to SFRS(I) 9, SFRS(I) 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to SFRS(I) 9, SFRS(I) 7: Contract Referencing Nature-dependent Electricity	1 January 2026
SFRS(I) 18: Presentation and Disclosure in Financial Statements	1 January 2027
SFRS(I) 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Various: Annual improvement to SFRS(I)s – Volume 11	1 January 2027
Amendments to SFRS(I) 10, SFRS(I) 1-28: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The directors expect that the adoption of the amendments to standards above will have no material impact on the financial statements in the period of initial application.

The consolidated financial statements include the financial statements made up to the end of the reporting year of the Company and all of its subsidiaries. The consolidated financial statements are the financial statements of the Group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions, including income, expenses and cash flows are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee. Control exists when the Group has the power to govern the financial and operating policies so as to gain benefits from its activities.

Changes in the Group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the Group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the Group loses control of a subsidiary, it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss.

The Company's separate statement of financial position and statement of changes in equity have been prepared on the same basis, and as permitted by the Singapore Companies Act 1967, the Company's separate statement of profit or loss and other comprehensive income and separate statement of cash flows are not presented.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

2A. Material accounting policies

Foreign currency transactions

The functional currency of the Company is the Singapore Dollars ("S$") as it reflects the primary economic environment in which the Company operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss.

The presentation currency of the Group's and Company's financial statements is Chinese Renminbi ("RMB"). For the RMB financial statements, assets and liabilities are translated at year end exchange rates and the income and expense items, and other comprehensive income or loss in the statement of comprehensive income are translated at average exchange rates for the reporting year. The resulting translation differences (if any) are recognised in other comprehensive income and accumulated in a separate component of equity.

Translation of financial statements of other entities

Each entity in the Group determines the appropriate functional currency as it reflects the primary economic environment in which the entity operates. In translating the financial statements of an investee for incorporation in the consolidated financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and the profit or loss items are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that investee.

Segment reporting

The Group discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2A. Material accounting policies (cont'd)

Revenue recognition

Cultivation and supply ("C&S"), Production Innovation and Food Production ("PIFP"), and Recovery and Recycling ("R&R")

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good to the customer, which is when the customer obtains control of the good. A performance obligation may be satisfied at a point in time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Revenue excludes value added tax ("VAT") and is arrived at after deduction of trade discounts, if any. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all terms and conditions relating to the grants have been complied with. When the grant relates to an expense item, it is recognised in the statement of profit or loss and other comprehensive income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The Group's legal or constructive obligation is limited to the amount that it is obligated to contribute for the Singapore employees to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan).

The Group also contributes to a local pension scheme in the People's Republic of China, under which the Group pays fixed contributions into a defined contribution retirement scheme organised by the local municipal government for eligible employees, and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Contributions to the scheme are charged to profit or loss as they fall due.

For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2A. Material accounting policies (cont'd)

Share-based compensation

For the equity-settled share-based compensation transactions, the fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed on a straight-line basis over the vesting period is measured by reference to the fair value of the options granted ignoring the effect of non-market conditions such as profitability and sales growth targets. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable.

The fair value is measured using a relevant option pricing model. The expected lives used in the model are adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. At each end of the reporting year, a revision is made of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in profit or loss with a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

Benefits to employees are also provided in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). The fair value of the employee services rendered is measured by reference to the fair value of the shares awarded or rights granted, excluding the impact of any non-market vesting conditions. These are fair valued based on the market price of the entity's shares (or an estimated market price, if the entity's shares are not publicly traded). This fair value amount is charged to profit or loss over the vesting period of the share-based payment scheme, with the corresponding increase in equity. The value of the charge is adjusted in profit or loss over the remainder of the vesting period to reflect expected and actual quantities vesting, with the corresponding adjustment made in equity. Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Interest expense is calculated using the effective interest rate method. Borrowing costs are recognised as an expense in the period in which they are incurred except that borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of that asset until substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2A. Material accounting policies (cont'd)

Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws by the end of the reporting year; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at the end of each reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries except where the financial entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

Property, plant and equipment

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2A. Material accounting policies (cont'd)

Property, plant and equipment (cont'd)

Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Leasehold buildings	-	3.33% - 5%
Leasehold buildings (Right-of-use assets)	-	50%
Renovation	-	33.33%
Plant and machinery	-	10%
Office equipment	-	20%
Research & production equipment	-	20%
Motor vehicles	-	25%

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

Construction work-in-progress is carried at cost, less any recognised impairment loss until construction is completed.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. The amortisation expense on intangible assets with finite lives is recognised in the profit and loss. Intangible assets with indefinite useful lives are tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the useful life assessment continues to be supportable

Research and development costs are accounted for in accordance with SFRS(I) 1-38 Intangible Assets. Expenditure incurred on research activities is recognised as an expense when incurred. Research activities refer to original and planned investigations undertaken with the aim of gaining new scientific or technical knowledge and understanding. This includes, for example, exploratory studies into new agricultural methods, crop behaviour, or preliminary testing of innovative manufacturing approaches.

Development expenditure is capitalised as an intangible asset only when the Group can demonstrate the technical feasibility of completing the asset, the intention and ability to complete and use or sell it, the availability of adequate resources to do so, and the ability to reliably measure the related costs. Most importantly, the development activity must be expected to generate probable future economic benefits, whether through increased productivity, improved product quality, cost reduction, or access to new markets.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2A. Material accounting policies (cont'd)

Intangible assets (cont'd)

In the context of agricultural activities, development work may relate to the enhancement of farming techniques, such as soil and crop treatment methods, pest control systems, or new seed variants designed to improve yield or resilience. For product manufacturing, development efforts may focus on process optimisation, improved formulations, automation, or other technological advancements aimed at enhancing production efficiency and consistency.

Development expenditure that does not meet the criteria for capitalisation is expensed as incurred. Once capitalised, development costs are carried at cost less accumulated amortisation and impairment losses, if any. Amortisation begins when the asset is available for use and is charged over the asset's estimated useful life. The carrying amount of the capitalised development asset is reviewed regularly and is subject to impairment testing when there is any indication that the asset may be impaired.

Right-of-use assets

Cost of acquisition of land use rights is capitalised and amortised on a straight-line basis over the lease terms of the land use rights of between 15 to 50 years.

Manufacturing patents

Cost of acquisition of patents is capitalised and amortised on a straight-line basis over the useful lives of 10 years.

Software

Cost of acquisition of software is capitalised and amortised on a straight-line basis over the useful lives of 5 years.

Favourable supply contracts

Favourable supply contracts acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised on a straight-line basis over 5 years.

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the Company and the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the Company has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the Company controls another entity.

In the Company's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2A. Material accounting policies (cont'd)

Impairment of non-financial assets

The carrying amount of non-financial assets is reviewed at the end of each reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At the end of each reporting year, non-financial assets with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

Inventories

Inventories are measured at the lower of cost (weighted average method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write down on cost is made for where the cost is not recoverable or if the selling prices have declined. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity.

Share capital and warrant shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

Warrant shares are recognised as equity components based on the terms of the contract. The fair value of the warrant shares is determined based on the management estimation using observable prices. The amount is classified as other reserve until the warrant shares is completely exercised to ordinary shares.

The carrying amount of the warrant share is not remeasured until it is fully exercised. The transaction costs are recognised in profit or loss during the issuance of warrant shares.

Financial assets

Classification and measurement

Financial assets are classified in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVPL").

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2A. Material accounting policies (cont'd)

Financial assets (cont'd)

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

(i) Debt instruments

Debt instruments mainly comprise cash and bank balances and trade and other receivables.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, FVOCI and FVPL. The Group only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

(ii) Equity investments

The Group has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains/losses" in Other Comprehensive Income. Dividends from equity investments are recognised in profit or loss as "dividend income".

Impairment of financial assets

The Group has the following type of financial assets subject to the expected credit loss impairment model under SFRS(I) 9:

- trade and other receivables
- cash and bank balances

The Group assesses on a forward-looking basis the expected credit loss associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2A. Material accounting policies (cont'd)

Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

Financial liabilities

Initial recognition, measurement and derecognition:

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument and it is derecognised when the obligation specified in the contract is discharged or cancelled or expires. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Subsequent measurement and classification

The measurement of financial liabilities depends on their classification as follows:

Other financial liabilities

After initial recognition, other financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains or losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

Fair value measurement

Fair value is taken to be the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (that is, an exit price). It is a market-based measurement, not an entity-specific measurement. When measuring fair value, management uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value. In making the fair value measurement, management determines the following: (a) the particular asset or liability being measured (these are identified and disclosed in the relevant notes below); (b) for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis; (c) the market in which an orderly transaction would take place for the asset or liability; and (d) the appropriate valuation techniques to use when measuring fair value. The valuation techniques used maximise the use of relevant observable inputs and minimise unobservable inputs. These inputs are consistent with the inputs a market participant may use when pricing the asset or liability.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2A. Material accounting policies (cont'd)

Fair value measurement (cont'd)

The fair value measurements and related disclosures categorises the inputs to valuation techniques used to measure fair value by using a fair value hierarchy of three levels. These are recurring fair value measurements unless stated otherwise in the relevant notes to the financial statements. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The level is measured on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting year. If a financial instrument measured at fair value has a bid price and an ask price, the price within the bid-ask spread or mid-market pricing that is most representative of fair value in the circumstances is used to measure fair value regardless of where the input is categorised within the fair value hierarchy. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in the profit or loss in the reporting year they occur.

Leases

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

<u>When the Group is the lessee</u>

The Group recognises a right-of-use ("ROU") asset and lease liability at the lease commencement date. ROU asset is initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, and an estimated cost to restore the underlying asset, less any lease incentive received. The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term as disclosed in the accounting policy for Property, plant and equipment. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2A. Material accounting policies (cont'd)

Leases (cont'd)

The Group's right-of-use assets are presented within property, plant and equipment (Note 15) and intangible assets (Note 16).

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2B. Critical judgments, assumptions and estimation uncertainties

The critical judgments made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to make sure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

(a) Provision for expected credit losses ("ECLs") of trade receivables:

The Group exercises prudence by applying a general provision rate of 0.5% to calculate ECLs for trade receivables on a collective basis.

There is critical judgment used in the measurement of lifetime expected credit losses and forward-looking assumptions. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 27D.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2B. Critical judgments, assumptions and estimation uncertainties (cont'd)

(b) Property, plant and equipment:

An assessment is made for the reporting year whether there is any indication that the asset may be impaired. If any such indication exists, an estimate is made of the recoverable amount of the asset. The recoverable amounts of cash-generating units if applicable is measured based on the fair value less costs of disposal or value-in-use calculations. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amounts of property, plant and equipment of the Group are disclosed in Note 15.

(c) Impairment on investments in subsidiaries:

The Company assesses at the end of each reporting period whether there is any objective evidence that the investments in subsidiaries are impaired. Management considers factors such as the historical and current performances, estimated value and probability of future cash flows.

Value in use calculation is used, management estimate the expected future cash flows from the subsidiaries and use suitable discount rates to calculate the present value of those cash flows. The investments in subsidiaries as at the reporting date are disclosed in Note 17.

(d) Intangible assets:

An assessment is performed as at the reporting date whether there is any indication that the assets may be impaired. If any such indication exists, an estimate is made of the recoverable amount of the assets. The recoverable amounts of cash-generating units if applicable is measured based on the fair value less costs of disposal or value-in-use calculations. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amounts of intangible assets of the Group are disclosed in Note 16.

(e) Income tax amounts:

The entity recognises tax liabilities and tax assets based on an estimation of the likely taxes due, which requires significant judgment as to the ultimate tax determination of certain items. Where the actual amount arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax amounts in the period when such determination is made. In addition, management judgment is required in determining the amount of current and deferred tax recognised and the extent to which amounts should or can be recognised. A deferred tax asset is recognised for unused tax losses if it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves the management making assumptions within its overall tax planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations. Moreover, the measurement of a deferred tax asset or liability reflects the manner in which the entity expects to recover the asset's carrying value or settle the liability. As a result, due to their inherent nature assessments of likelihood are judgmental and not susceptible to precise determination. The income tax amounts are disclosed in Note 13.

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

A related party is a person or entity that is related to the entity that is preparing its financial statements.

(a) A person or a close member of that person's family is related to a reporting entity if that person:

(i) has control or joint control of the reporting entity;

(ii) has significant influence over the reporting entity; or

(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

SFRS(I) 1-24 on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

The ultimate controlling party is Mr. Liang Chengwang.

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONT'D)

3A. Related companies

Related companies in these financial statements relate to the Company's subsidiaries.

There are transactions and arrangements between the Company and its related companies and the effects of these on the basis determined between the companies are reflected in these financial statements. The related company balances are unsecured without fixed repayment terms and interest unless stated otherwise.

Intra-group transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

3B. Key management compensation

	Group	
	2025	2024
	RMB'000	RMB'000
Salaries and other short-term employee benefits	3,504	3,259
Contributions to defined benefits plans	122	75
Staff compensation - performance share	108	–

The above amount is included under employee benefits expense. Included in the above amount are the following items:

	Group	
	2025	2024
	RMB'000	RMB'000
Remuneration of directors	1,934	1,966

Further information about the remuneration of individual directors is provided in the report on corporate governance.

Key management personnel are directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONT'D)

3C. Other payables to related parties

The movements in other payables to related parties are as follows:

	Group		Company	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Director/shareholder:				
Balance at beginning of the year	1,031	1,004	1,031	1,004
Repayments	(3,075)	(1,918)	(3,075)	(1,918)
Payment on behalf of the Company	3,665	288	3,489	288
Salary payables	1,934	1,663	1,934	1,663
Foreign exchange differences	23	(6)	23	(6)
Balance at end of the year (Note 25)	3,578	1,031	3,402	1,031

4. FINANCIAL INFORMATION BY SEGMENT

4A. Primary analysis by business segment

Management has determined segment based on how information is reported to the Group's decision maker for the purpose of resource allocation and operating performance review.

The Group's reportable segments under SFRS(I) 8, for the financial year 2025 consist of:

(i) Cultivation and Supply ("C&S"), including

a. sales of fresh sweet potatoes,

b. sales of sweet potato seedlings,

c. research and development of sweet potato varieties to cultivate sweet potato seedlings,

d. sweet potato cultivation techniques and solutions to improve the quality and yield for farmlands;

(ii) Product Innovation and Food Production ("PIFP"), referring to

a. sale of sweet potato processed product,

b. brand building, marketing and distribution;

(iii) Recovery and Recycling ("R&R"), referring to sale of probiotic-infused sweet potato feedstock; and

(iv) Others, referring to investment holdings expenses, provision of management, treasury and administrative services.

4. FINANCIAL INFORMATION BY SEGMENT (CONT'D)

4B. Reportable segments

	C&S	PIFP	R&R	Others	Total before eliminations	Eliminations	Group
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2025							
Revenue							
Revenue – External	101,208	323,027	445	–	424,680	–	424,680
Revenue – Inter-Segments	36,616	–	–	–	36,616	(36,616)	–
Segment Revenue	137,824	323,027	445	–	461,296	(36,616)	424,680
Cost of Sales							
Cost of Sales – External	(48,140)	(231,792)	(371)	–	(280,303)	–	(280,303)
Cost of Sales – Inter-Segments	(38,501)	–	–	–	(38,501)	38,501	–
Segment Cost of Sales	(86,641)	(231,792)	(371)	–	(318,804)	38,501	(280,303)
Gross Profit	51,183	91,235	74	–	142,492	1,885	144,377
Interest income	33	1,163	–	7	1,203	–	1,203
Depreciation of property, plant and equipment	(7,525)	(17,490)	–	(233)	(25,248)	–	(25,248)
Amortisation of intangible assets	(4,983)	(873)	–	–	(5,856)	–	(5,856)
Finance costs	–	(3,263)	–	(26)	(3,289)	–	(3,289)
Research and development expenses	(4,409)	(3,800)	–	–	(8,209)	–	(8,209)
Advertisements costs	–	(12,237)	–	–	(12,237)	–	(12,237)
Seedlings nursery fees	(2,320)	–	–	–	(2,320)	–	(2,320)
Staff compensation – performance shares	–	–	–	(6,580)	(6,580)	–	(6,580)
Other allocated segments results	(5,114)	(21,830)	(19)	(10,063)	(37,026)	(2,095)	(39,121)
Profit/(Loss) for the year	26,865	32,905	55	(16,895)	42,930	(210)	42,720

4. FINANCIAL INFORMATION BY SEGMENT (CONT'D)

4B. Reportable segments (cont'd)

	C&S	PIFP	R&R	Others	Total before eliminations	Eliminations	Group
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2025							
Segments assets	216,560	725,770	–	977,010	1,919,340	(1,207,990)	711,350
Segments liabilities	158,116	250,488	–	50,948	459,552	(323,769)	135,783
Capital expenditure allocated to operating segments:							
Property, plant and equipment:							
- Plant and machinery	17	22,979	–	–	22.996	–	22,996
- Renovations	–	22,311	–	–	22,311	–	22,311
Intangible assets:							
- Manufacturing patents	–	2,000	–	–	2,000	–	2,000
- Right-of-use assets	5,338	–	–	–	5,338	–	5,338

4. FINANCIAL INFORMATION BY SEGMENT (CONT'D)

4B. Reportable segments (cont'd)

	C&S RMB'000	PIFP RMB'000	R&R RMB'000	Others RMB'000	Total before eliminations RMB'000	Eliminations RMB'000	Group RMB'000
2024							
Revenue							
Revenue – External	58,662	260,348	–	–	319,010	–	319,010
Revenue – Inter-Segments	16,609	–	–	–	16,609	(16,609)	–
Segment Revenue	75,271	260,348	–	–	335,619	(16,609)	319,010
Cost of Sales							
Cost of Sales – External	(35,106)	(181,845)	–	–	(216,951)	–	(216,951)
Cost of Sales – Inter-Segments	(18,494)	–	–	–	(18,494)	18,494	–
Segment Cost of Sales	(53,600)	(181,845)	–	–	(235,445)	18,494	(216,951)
Gross Profit	21,671	78,503	–	–	100,174	1,885	102,059
Interest income	13	707	–	7	727	–	727
Depreciation of property, plant and equipment	(7,999)	(7,325)	–	(194)	(15,518)	–	(15,518)
Amortisation of intangible assets	(4,961)	(333)	–	–	(5,294)	–	(5,294)
Finance costs	–	(2,323)	–	–	(2,323)	–	(2,323)
Research and development expenses	(1,661)	(4,690)	–	–	(6,351)	–	(6,351)
Advertisements costs	–	(12,661)	–	–	(12,661)	–	(12,661)
Seedlings nursery fees	(1,813)	–	–	–	(1,813)	–	(1,813)
Other allocated segments results	(2,803)	(32,599)	–	(8,185)	(43,587)	(1,885)	(45,472)
Profit/(Loss) for the year	2,447	19,279	–	(8,372)	13,354	–	13,354

4. FINANCIAL INFORMATION BY SEGMENT (CONT'D)

4B. Reportable segments (cont'd)

	C&S RMB'000	PIFP RMB'000	R&R RMB'000	Others RMB'000	Total before eliminations RMB'000	Eliminations RMB'000	Group RMB'000
2024							
Segments assets	235,537	661,324	–	681,608	1,578,469	(965,641)	612,828
Segments liabilities	204,015	223,893	–	42,786	470,694	(371,798)	98,896
Capital expenditure allocated to operating segments:							
Property, plant and equipment:							
- Plant and machinery	–	32	–	–	32	–	32
- Renovations	30,462	651	–	–	31,113	–	31,113
- Construction work-in-progress	–	18,738	–	–	18,738	–	18,738

4C. Geographical information

As the business activities of the Group are mainly conducted in the People's Republic of China, the reporting format by geographical segment is not presented.

4D. Information about major customers

There are no customers with revenue transactions of over 10% of the Group's revenue.

5. REVENUE

	Group	
	2025	2024
		Restated
	RMB'000	RMB'000
Revenue based on products:		
C&S Segment:		
Fresh sweet potatoes	99,987	58,099
Sweet potatoes seedlings	1,221	563
	101,208	58,662
PIFP Segments:		
Sweet potato processed products	323,027	260,348
R&R Segment:		
Fermented sweet potatoes waste	445	–
	424,680	319,010
Timing of transfer of goods or service:		
At a point in time	424,680	319,010

Sweet potato processed products and sweet potatoes

Nature of goods or services	The group cultivates sweet potato and processes the sweet potato to different types of sweet potato products.
When revenue is recognised	Revenue is recognised when goods are delivered to the customer and all criteria for acceptance have been satisfied
Significant payment terms	Invoices are issued on a monthly basis unless the customer requests for the invoice after the received of goods. Payment for invoices issued is due within 30 days. No element of financing is deemed present as the credit terms are consistent with market practice.

6. FINANCE INCOME AND FINANCE COSTS

	Group	
	2025	2024
	RMB'000	RMB'000
Finance income:		
Interest income from banks	1,203	727
Finance costs:		
Bank loans	3,263	2,305
Lease liability	26	18
	3,289	2,323

7. OTHER INCOME

	Group	
	2025	2024
		Restated
	RMB'000	RMB'000
Brand licensing income	160	160
Incentives from e-commerce platforms	72	–
Others	94	250
	326	410

8. OTHER GAINS

	Group	
	2025	2024
	RMB'000	RMB'000
Incentives received from local authority	659	–

9. MARKETING AND DISTRIBUTION COSTS

The major components include the following:

	Group	
	2025	2024
	RMB'000	RMB'000
Advertisement cost	12,237	12,660
Delivery charges	4,804	3,994
Depreciation of property, plant and equipment (Note 15)	564	564
Publicity expenses	4,817	4,284
Employee benefits expense (Note 12)	3,781	4,725
Operating expenses	918	6,706

10. ADMINISTRATIVE EXPENSES

The major components include the following:

	Group	
	2025	2024
	RMB'000	RMB'000
Amortisation of intangible assets (Note 16)	5,856	5,294
Depreciation of property, plant and equipment (Note 15)	16,282	11,030
Research and development expenses	8,210	6,351
Employee benefits expense (Note 12)	14,585	8,020
Seedlings nursery fees	2,320	1,813

Research and development expenses represent costs incurred during the year for the advancement of agricultural methods and manufacturing processes.

11. OTHER LOSSES

	Group	
	2025	2024
	RMB'000	RMB'000
Property, plant and equipment written-off	195	849
Donation expenses	405	1,500
Others	32	107
	632	2,456

12. EMPLOYEE BENEFITS EXPENSE

	Group	
	2025	2024
	RMB'000	RMB'000
Salaries, bonuses and other employees' benefits	18,663	26,138
Contributions to defined contribution plans	3,519	3,901
Staff compensation - performance share	6,580	–
Other benefits	5,201	1,968
	33,963	32,007
The employee benefits expenses are charged as follows:		
Cost of sales	15,597	19,262
Marketing and distribution costs (Note 9)	3,781	4,725
Administrative expenses (Note 10)	14,585	8,020
	33,963	32,007

13. INCOME TAX EXPENSE

13A. Components of income tax expense recognised in profit or loss

	Group	
	2025	2024
	RMB'000	RMB'000
Current tax expense:		
Current year	11,838	5,542
Under provision in prior year	543	1,098
	12,381	6,640
Deferred income tax – net debit to profit or loss	–	1,471
Total income tax expense	12,381	8,111

The reconciliation of income taxes below is determined by applying the People's Republic of China corporate income tax rate, where the main operations of the Group take place. The income tax in profit or loss varied from the amount of income tax amount determined by applying the People's Republic of China corporate income tax rate of 25% (2024: 25%) to profit before income tax as a result of the following differences:

	Group	
	2025	2024
	RMB'000	RMB'000
Profit before income tax	55,101	21,465
Income tax expenses at the above rate	13,775	5,366
Effect of different tax rates in different countries	(230)	58
Tax exempted income	(5,142)	(995)
Non-deductible items	3,435	1,113
Under provision of current tax in prior financial year	543	1,098
Utilisation of tax losses recognised as deferred tax assets	–	1,471
Total income tax expense	12,381	8,111

There are no income tax consequences of dividends to owners of the Company.

The amount of income tax payable outstanding as at the reporting date was RMB 2,608,000 (2024: RMB 2,300,000). Such an amount is net of tax advances, which, according to the tax rules in the People's Republic of China, were paid before the end of the financial year.

According to the prevailing tax rules and regulation in the People's Republic of China, one of the subsidiaries, Liancheng Dizhongbao Modern Agriculture Development Co., Ltd., is exempted from enterprise income tax for taxable profit from its agricultural business activities in the People's Republic of China.

13. INCOME TAX EXPENSE (CONT'D)

13B. Deferred tax assets balance in the statements of financial position

The Group did not incurred any income tax losses for the financial year ended 31 March 2025 and tax losses had fully utilised in last financial year.

	Group	
	2025	2024
	RMB'000	RMB'000
Balance at beginning of financial year	–	1,471
Utilisation of tax losses recognised as deferred tax assets	–	(1,471)
Balance at end of the financial year	–	–

14. EARNINGS PER SHARE

The basic and dilutive earnings per share is calculated based on the consolidated profit attributable to owners of the Company divided by the weighted average number of shares in issue of 1,552,390,248 (2024: 1,383,818,100) shares during the financial year. Dilutive potential ordinary shares are deemed to have been converted into ordinary shares at the beginning of the year or if later, the date of the issue of the potential ordinary shares.

As at 31 March 2025, the Company has 577,927,240 outstanding warrant shares which are convertible to 577,927,240 ordinary shares. For the financial year ended 31 March 2025, the average market price of the ordinary shares is S$ 0.025 which is lower than the exercise price of S$ 0.045 had resulted its anti-dilutive nature. The dilutive and anti-dilutive effect of the warrant shares will be assessed at each of the reporting date. Accordingly, the diluted earning per share is the same as the basic earnings per share.

The following table illustrates the numerators and denominators used to calculate basic and diluted earnings per share:

	Group	
	2025	2024
	RMB'000	RMB'000
Basic and dilutive earnings per share		
Earnings, net of tax attributable to owners of the Company	42,720	13,354
Weighted average number of ordinary shares in issue ('000)	1,552,390	1,383,818
Basic and dilutive earnings per share (RMB cents)	2.75	0.97

As the Company does not have dilutive potential ordinary shares, the earnings per share and diluted earnings per share for FY2025 are thus RMB 2.75 cents (2024: RMB 0.97 cents) per share.

15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold buildings (Note 15A)	Renovation	Land improvement	Office equipment	Plant and machinery	Research & production equipment	Motor vehicles	Construction work-in-progress [(a)]	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Group									
Cost:									
At 31 March 2023	70,685	73,223	–	1,031	28,397	1,489	272	53,134	228,231
Additions	–	31,113	–	–	32	–	–	18,738	49,883
Disposal	–	–	–	–	(283)	(1,098)	–	–	(1,381)
Reclassification	56,192	–	–	–	–	–	–	(56,192)	–
At 31 March 2024	126,877	104,336	–	1,031	28,146	391	272	15,680	276,733
Additions	–	22,311	–	–	22,996	–	–	–	45,307
Written off	–	–	–	–	(305)	–	–	–	(305)
Reclassification	–	–	7,500	–	–	–	–	(7,500)	–
At 31 March 2025	126,877	126,647	7,500	1,031	50,837	391	272	8,180	321,735
Accumulated depreciation:									
At 31 March 2023	19,962	53,308	–	710	11,167	598	258	–	86,003
Depreciation for the year	2,421	10,948	–	141	1,892	116	–	–	15,518
Written off	–	–	–	–	(166)	(366)	–	–	(532)
At 31 March 2024	22,383	64,256	–	851	12,893	348	258	–	100,989
Depreciation for the year	3,733	11,952	1,375	110	2,632	20	–	–	19,822
Written off	–	–	–	–	(110)	–	–	–	(110)
At 31 March 2025	26,116	76,208	1,375	961	15,415	368	258	–	120,701
Carrying amount:									
At 31 March 2024	104,494	40,080	–	180	15,253	43	14	15,680	175,744
At 31 March 2025	100,761	50,439	6,125	70	35,422	23	14	8,180	201,034

a) *During 2021, Fujian Zixin Biological Potato Co., Ltd has commenced the first phase of construction of factory and costs incurred up to 31 March 2024 totalled RMB56,192,000 had been completed and reclassed to leasehold buildings in the prior financial year. As at 31 March 2025, amount of costs incurred totalled RMB 7,500,000 had been completed and reclassified to land improvement.*

15. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

As at 31 March 2025, the leasehold building and construction work-in-progress of the Group with carrying amount of RMB 100,761,000 (2024: RMB 84,972,000) are mortgaged as securities for bank loans (See Note 26B).

The depreciation expense is charged as follows:

	Group	
	2025	**2024**
	RMB'000	**RMB'000**
Cost of sales	2,976	3,924
Marketing and distribution costs (Note 9)	564	564
Administrative expenses (Note 10)	16,282	11,030
	19,822	15,518

15A. Lease - The Group as a lessee

Nature of the Group's leasing activities

Leasehold buildings

The Group has made upfront payments to secure the right-of-use ("ROU") of between 2 to 50 years, which is used in the Group's production. This ROU asset of the leasehold building is recognised within property, plant and equipment (Note 15).

The ROU of the land is classified as an intangible asset (Note 16).

There are no externally imposed covenants on these lease arrangements.

Other than that, the Group also has lease contracts for buildings. The Group's obligations under these leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets.

(a) Carrying amount of ROU assets classified within property, plant and equipment

	Group	
	2025	**2024**
	RMB'000	**RMB'000**
Leasehold buildings		
At 1 April	104,494	50,723
Depreciation	(3,733)	(2,421)
Reclassification	–	56,192
At 31 March	100,761	104,494

15. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

15A. Lease - The Group as a lessee

(b) Lease liability

The carrying amounts of lease liability are presented separately in the statements of financial position and the movements during the financial year are disclosed in the reconciliation of liabilities arising from financing activities in the consolidated statement of cash flows. The maturity analysis of lease liabilities is disclosed in Note 27E.

(c) Total cash outflow

Total cash outflow for all the leases in financial year 2024 was RMB 237,000 (2024: RMB 186,000).

16. INTANGIBLE ASSETS

Group:	Right-of-use assets (Note 15A)	Manufacturing patents	Software	Favourable supply contracts	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost:					
At 1 April 2023 and 2024	82,255	2,762	338	12,822	98,177
Additional	5,338	2,000	–	–	7,338
At 31 March 2025	87,593	4,762	338	12,822	105,515
Accumulated amortisation:					
At 1 April 2023	8,017	1,716	338	10,257	20,328
Amortisation for the year	5,668	174	–	–	5,842
At 31 March 2024	13,685	1,890	338	10,257	26,170
Amortisation for the year	5,690	166	–	–	5,856
At 31 March 2025	19,375	2,056	338	10,257	32,026
Accumulated impairment:					
At 1 April 2023, 31 March 2024 and 2025	–	–	–	2,565	2,565
Carrying amount:					
At 31 March 2024	68,570	872	–	–	69,442
At 31 March 2025	68,218	2,706	–	–	70,924

16. INTANGIBLE ASSETS (CONT'D)

Amortisation expenses are charged under administrative expense.

16A. Right of use assets

The right of use assets are for four parcels of land located in Liancheng County of Fujian Province, the People's Republic of China.

As at 31 March 2025, the right of use assets of the Group for a parcel of land with carrying amount of RMB 28,144,000 (2024: RMB 28,850,000 is mortgaged for bank loan (See Note 26B).

In September 2018, Liangcheng Dizhongbao Modern Agriculture Development Co., Ltd. ("Dizhongbao"), a subsidiary in the Group, entered into Land Use Rights Transfer Agreements (the "Agreements") with 86 farmers to lease 91 plots of farmland (certain farmers are contracted to lease more than 1 plot of farmland) for 15 years as a base for research and development to cultivate new breed of sweet potatoes and to nurture the sweet potatoes seedlings. The seedlings are collected from the farmers after sprout and distributed to the contracted suppliers (See Note 19) to grow on their own land to ensure better control of the end product quality. Under the terms of the agreements, Dizhongbao had made full upfront payments of approximately RMB 5,338,000 to the contract farmers for 15 years during the financial year.

17. INVESTMENTS IN SUBSIDIARIES

	Company	
	2025	2024
	RMB'000	RMB'000
Unquoted equity shares, at cost	803,636	803,636
Impairment loss	–	–
	803,636	803,636

17. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The subsidiaries held by the Company are listed below:

Names of subsidiaries, country of incorporation, place of operations and principal activities	Cost		Effective equity held	
	2025	2024	2025	2024
	RMB'000	RMB'000	%	%
Held through the Company:				
Zixin International Pte Ltd [a] 紫心国际私人有限公司 Singapore Investment holdings	803,636	803,636	100	100
Held through Zixin International Pte Ltd:				
Zixin Enterprise (Singapore) Pte. Ltd. [a] 紫心企业(新加坡)私人有限公司 Singapore Wholesale trading and distribution			100	100
Fujian Zixin Biotechnological Potato Co., Ltd. [b] 福建紫心生物薯业有限公司 People's Republic of China Research, production and distribution of sweet potato food products			100	100
Held through Fujian Zixin Biotechnological Potato Co., Ltd.:				
Fujian Zilaohu Food Co., Ltd. [b] 福建紫老虎食品有限公司 People's Republic of China Research, production and distribution of sweet potato food products			100	100
Liancheng Dizhongbao Modern Agriculture Development Co., Ltd. [b] 连城县地中宝现代农业发展有限公司 People's Republic of China Cultivation, processing and sale of sweet potatoes			100	100
Fujian Zixin Fungal Biotechnology Co., Ltd. [b] 福建紫草生物科技有限公司 People's Republic of China Research, production and distribution of sweet potato related products			100	100

(a) Audited by RT LLP.

(b) Audited by RT LLP for the purpose of expressing an opinion on the consolidated financial statements.

17. INVESTMENTS IN SUBSIDIARIES (CONT'D)

17A. Impairment of investment in subsidiaries

During the current financial year, management performed an impairment test for the investment in Zixin International Pte. Ltd. as the cost of investment in the subsidiary is higher than its net tangible assets. The recoverable amount is defined as the higher of the subsidiaries' fair value ("FV") less cost of disposal and its value in use ("VIU"). Management is of the view that there is no basis for making a reliable estimate of the price, that is, fair value at which an orderly transaction to sell the asset could not be reliably estimated, and therefore has used VIU as the recoverable amount.

The recoverable amount has been determined based on a VIU calculation using cash flow projections from financial budgets approved by management covering a five-year period. The use of the VIU valuation involved significant judgment in the forecast projection of sales and operating cash flows for the next five years. The VIU valuation included assumptions of terminal growth rate and weighted cost of capital ("WACC").

No impairment loss was recognised as at 31 March 2025 and 31 March 2024 to write down the carrying amount to its recoverable amount. The cash flow projections are based on the terminal growth rate of 0.5% (2024: 0.5%) and pre-tax discount rate (WACC) of 4.3% (2024: 5.5%).

17B. Sensitivity analysis

The key assumptions used in the value-in-use valuation is WACC at 4.3%.

Had the actual results varied from WACC of 4.3%, the estimated recoverable amount of the investment and the impairment charge would be as follows:

	Estimated recoverable amount	Increase/ (Decrease) in impairment charge
	RMB'000	RMB'000
1% higher than management's assumption	2,094,000	–
1% lower than management's assumption	3,851,000	–

18. INVESTMENT IN UNQUOTED SHARES

Investment measured at fair value through other comprehensive income:

	Group	
	2025	2024
	RMB'000	RMB'000
Unquoted equity shares, at fair value	1,800	900

The investment held by the Group are listed below:

Names of unquoted shares, country of incorporation and place of operations	Cost		Effective equity held	
	2025	2024	2025	2024
	RMB'000	RMB'000	%	%
Held through Fujian Zixin Biotechnological Potato Co., Ltd.:				
Hainan Xinwei Land Development Co., Ltd 海南省信维全域土地投资开发有限公司 China	1,800	900	3	3

The Group designated the investment above as equity investments at FVOCI because this equity investment represent investment that the Group intends to hold for the long-term for strategic purposes.

Fair value of the investment as at 31 March 2025 and 2024 was estimated based on recent transaction price and is classified as level 2 in the fair value hierarchy.nvestment in unquoted shares (Cont'd)

There was no dividend income recognised from the investment during the financial year ended 31 March 2025. No strategic investment was disposed of during the financial year ended 31 March 2025 and 31 March 2024, and there were no transfers of any cumulative gain or loss within equity related to this investment.

19. OTHER ASSETS

	Group		Company	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Upfront payments for key supplies of sweet potatoes (Note A)	87,775	140,089	–	–
Upfront payments for short term suppliers of sweet potatoes (Note B)	55,057	–	–	–
Upfront payments to other suppliers	110	3,752		
Deferred expenses	13,828	4,835	–	450
Others	1,300	5,474	–	–
	158,070	154,150	–	450
Presented in the statements of financial position as:				
Other assets, non-current	66,762	91,279	–	–
Other assets, current	91,308	62,871	–	450
	158,070	154,150	–	450

Upfront payment for supplies of sweet potatoes (Note A)

The Group, through one of its subsidiaries, Liancheng Dizhongbao Modern Agriculture Development Co., Ltd. ("Dizhongbao"), had entered into various purchase contracts with a few suppliers to secure the supply of quality raw sweet potatoes at reasonable prices.

All the above-mentioned agreements carry similar terms. These agreements last for 15 years and grant Dizhongbao with the first right of refusal of the supply of sweet potatoes. In return, Dizhongbao pays upfront payments to the suppliers once every 5 years. The upfront payments are used to offset the purchase within the 5 years. In case of the upfront payments are fully utilised within the 5 years, the payment of subsequent purchase is due according to the agreed terms per respective contract.

Movement of the upfront payment for supplies of sweet potatoes is as follows:

	Group	
	2025	2024
	RMB'000	RMB'000
At the beginning of financial year	140,089	117,700
Purchases made	(52,314)	(52,611)
Additional upfront payments	–	75,000
At the end of financial year	87,775	140,089

19. OTHER ASSETS (CONT'D)

Upfront payment for short term suppliers of sweet potatoes (Note B)

The Group, through three of its subsidiaries had entered into various purchase contracts with a few suppliers to secure the supply of quality raw sweet potatoes at reasonable prices. These upfront payments grant the subsidiaries the first right of refusal of the supply of sweet potatoes.

Movement of the upfront payment for suppliers of sweet potatoes is as follows:

	Group	
	2025	2024
	RMB'000	RMB'000
At the beginning of financial year	–	–
Additional upfront payments	55,057	–
At the end of financial year	55,057	–

20. INVENTORIES

	Group	
	2025	2024
	RMB'000	RMB'000
Finished goods	169	133
Work-in-progress	61	–
Raw materials	4,243	2,519
	4,473	2,652
Changes in inventories	1,821	689
The amounts of inventories included in cost of goods sold	277,094	203,099

There were no inventories pledged as security for liabilities.

21. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables:				
Third parties	91,452	53,022	–	–
Less: Expected credit losses on trade receivables	(472)	(278)	–	–
	90,980	52,744	–	–
Other receivables:				
Subsidiaries	–	–	113,202	106,236
Third parties	832	1,043	–	–
Refundable deposits	70	2	–	2
	902	1,045	113,202	106,238
Total trade and other receivables	91,882	53,789	113,202	106,238

21. TRADE AND OTHER RECEIVABLES (CONT'D)

The Group and the Company's exposure to credit and impairment losses for trade and other receivables, are disclosed in Note 27D.

Movement in the expected credit losses of trade receivables:

	Group		Company	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Expected credit losses:				
At the beginning of financial year	278	120	–	–
Provision	194	158	–	–
At the end of financial year	472	278	–	–

22. CASH AND BANK BALANCES

	Group		Company	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Cash on hand	11	13	–	–
Cash at bank	183,141	156,047	49	7
Others	15	91	–	–
Cash and bank balances	183,167	156,151	49	7

Cash at bank bears weighted average effective interest rate of 0.30% (2024: 0.30%) per annum during the financial year.

Cash and bank balances are denominated in the following currencies:

	Group		Company	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Singapore dollar	49	28	49	7
Renminbi	183,118	156,123	–	–
	183,167	156,151	49	7

23. SHARE CAPITAL

	Group		Company	
	Number of shares issued	Share capital	Number of shares issued	Share capital
	'000	RMB'000	'000	RMB'000
Ordinary shares:				
Balance at 1 April 2023 and 31 March 2024	1,383,818	239,150	1,383,818	938,574
Vesting of shares under Zixin PSP [(A)]	61,000	6,580	61,000	6,580
Issuance of new shares through the Rights Cum Warrants Issue [(B)]	144,482	13,157	144,482	13,157
31 March 2025	1,589,300	258,887	1,589,300	958,311

All shares rank equally with regard to the Company's residual assets. All issued shares are fully paid, with no par value. The Company is not subject to any externally imposed capital requirements.

(A) On 30 April 2024, the Company has issued and allotted 61,000,000 new ordinary shares in the capital of the Company to its senior management pursuant to the vesting of share awards under the Zixin PSP in relation to the grant of share awards under the Zixin Performance Share Plan dated 22 March 2024.

(B) On 21 June 2024 and 24 June 2024, the Company has issued and allotted 144,481,810 Rights Shares and 577,927,240 Warrants to successful subscribers respectively pursuant to the Rights Cum Warrants Issue completed on 24 June 2024.

Capital management:

The objectives when managing capital are: to safeguard the financial entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt.

The Group's cash as at 31 March 2025 and 31 March 2024 exceeded its borrowings as of these dates. Therefore, the debt-to-adjusted capital ratio does not provide a meaningful indicator of the risk of borrowings.

In order to maintain its listing on the Singapore Exchange, the Company has to have share capital with a public float of at least 10% of the shares. The Company met the capital requirement on its listing and the rules limiting treasury share purchases mean it will continue to satisfy that requirement, as it did throughout the reporting year. Management receives a report from the share registrars frequently on substantial share interests showing the non-free float to ensure continuing compliance with the 10% limit throughout the reporting year.

23. SHARE CAPITAL (CONT'D)

23A. Zixin Employee Share Option

Zixin Employee Share Option Scheme (the "Scheme") was approved by the shareholders of the Company at an extraordinary general meeting held on 20 July 2015.

The Scheme shall continue to be in force at the discretion of the Remuneration Committee ("RC"), subject to a maximum period of 10 years commencing on the date the Scheme was adopted by the Company in general meeting i.e. 20 July 2015, provided always that the Scheme may continue beyond the above stipulated period with the approval of shareholders by ordinary resolution in general meeting and any relevant authorities which may then be required.

The Scheme may be terminated at any time by the RC or by resolution of the Company in general meeting subject to all relevant approvals, which may be required, and if the Scheme is terminated, no further option shall be offered by the Company.

The Scheme provides for the grant of ordinary shares of the Company to employees, executive directors, non-executive directors (including independent directors) of the Company and its subsidiaries, including those who may be the controlling shareholders.

The Scheme is administered by the RC of the Company in its absolute discretion with such powers and duties as may be conferred on it by the board of directors of the Company, which will determine the terms and conditions of the grant of the options. Where a member of the RC is also a proposed participant, he/she will not be involved in the deliberations and decisions of the RC in respect of the options granted, or to be granted, to him/her or his/her associate(s).

The aggregate number of new shares that may be allotted and issued from time to time upon the exercise of the options granted pursuant to the Scheme ("Option Shares") over which the RC may grant options on any date (including the number of Option Shares which have been and are to be issued upon the exercise of the options in respect of all options granted under the Scheme and any other share scheme then in force) shall not exceed 15% of the total number of shares (excluding treasury shares) on the day preceding that date.

The aggregate number of Option Shares over which options may be granted under the Scheme to controlling shareholders and/or their associates shall not exceed 25% of the Option Shares available under the Scheme, and the number of Option Shares over which an option may be granted under the Scheme to each controlling shareholder or his/her associate shall not exceed 10% of the Option Shares available under the Scheme.

Subject to any adjustment pursuant to Rule 10 of the Rules of the Scheme, the exercise price for each share in respect of which an option is exercisable shall be payable upon the exercise of the option and shall be determined by the RC in its absolute discretion, on the date of grant, and fixed by the RC at:

(a) the market price; or

(b) a price which is set at a discount to the market price, provided that:

   (i) the maximum discount shall not exceed 20% of the market price. The RC shall have the sole and absolute discretion to determine the exact amount of discount to each participant; and

   (ii) the shareholders in a general meeting shall have authorised, in a separate resolution, the making of offers and grants of options under the Scheme at a discount not exceeding the maximum discount as aforesaid.

23. SHARE CAPITAL (CONT'D)

23A. Zixin Employee Share Option (cont'd)

Options granted with the exercise price set at market price shall only be exercisable, in whole or in part (provided that an option may be exercised in part only in respect of 100 shares or any multiple thereof), by a participant after the first anniversary of the date of grant of that option, and options granted with the exercise price set at a discount to market price shall only be exercisable by a participant after 2 years from the date of grant of that option.

Group employees (including executive directors) who are granted options must exercise their options before the 10th anniversary from the date of grant and Group non-executive directors (including independent directors) who are granted Options must exercise their options before the 5th anniversary from the date of grant, failing which all unexercised options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.

Since the approval of the Scheme by the shareholders of the Company, no option was granted.

23B. Zixin Performance Share Plan

The Zixin Performance Share Plan (the "Plan") was approved by the shareholders of the Company at an extraordinary general meeting held on 20 July 2015.

The Plan shall continue to be in force at the discretion of the RC, subject to a maximum period of 10 years commencing on the date the Plan was adopted by the Company in general meeting i.e. 20 July 2015, provided always that the Plan may continue beyond the above stipulated period with the approval of shareholders by ordinary resolution in general meeting and any relevant authorities which may then be required.

The Plan may be terminated at any time by the RC or by resolution of the Company in general meeting subject to all relevant approvals, which may be required, and if the Plan is terminated, no further award shall be vested in the Company.

The Plan is administered by the RC comprising three directors, namely, Mr Lawrence Chen Tse Chau (Chen Shichao), Mr Ng Poh Khoon and Mr Xue Congyan, in its absolute discretion with such powers and duties as may be conferred on it by the board of directors of the Company, which will determine the terms and conditions of the grant of the awards. Where a member of the RC is also a proposed participant, he/she will not be involved in the deliberations and decisions of the RC in respect of the awards granted, or to be granted, to him/her or his/her associate(s).

The Company will be delivering shares pursuant to the award granted under the Plan in the form of existing shares held as treasury shares and/or an issue of new shares that may be allotted and issued from time to time upon the vesting of an award granted pursuant to the Plan. The performance shares issued under the Plan, when added to all awards granted under any other share option, share incentive, performance share or restructured share plan implemented by the Company and for the time being in force, shall not exceed 15% of the issued share capital of the Company from time to time.

In determining whether to issue performance share or to purchase existing shares for delivery to participants upon vesting of their award, the Company will take into account factors such as (but not limited to) the number of shares to be delivered, the prevailing market price of the shares and the financial effect on the Company of either issuing performance share or purchasing existing shares.

23. SHARE CAPITAL (CONT'D)

23B. Zixin Performance Share Plan (cont'd)

Insofar as in relation to the number of treasury shares that may be held pursuant to the Act as amended by the Companies Amendment Act, such a method is not subject to any further limit under prevailing legislation and Singapore Exchange Securities Trading Limited ("SGX-ST") guidelines as it does not involve the issuance of any performance shares.

An award letter confirming the award and specifying, inter alia, in relation to the award, the prescribed performance target(s), the performance period during which the prescribed performance target(s) are to be satisfied and the date by which the award shall be vested, will be sent to each participant as soon as reasonably practicable after the award is finalised. Notwithstanding that a participant may have met his/her performance targets, no award shall vest in a participant in the following circumstances:

(a) upon the bankruptcy of a participant or the happening of any other event which results in his/her being deprived of the legal or beneficial ownership of such award;

(b) in the event of any misconduct of a participant as determined by the RC in its discretion;

(c) in the event that the RC shall, in its discretion, deems it appropriate that such award shall so lapse on the grounds that any of the objectives of the Plan have not been met; or

(d) in the event that the participant ceases to be employed by the Company before vesting of the award to him/her.

The intention is to award shares based on pre-determined dollar amounts such that the quantum of shares comprised in award is dependent on the closing price of shares transacted on the market day the award is vested. The RC will also monitor the grant of award carefully to ensure that the size of the Plan complies with the relevant rules of the SGX-ST.

On 22 March 2024, the Company granted the Awards under the Zixin Performance Share Plan to the senior management of the Company. The Awards vested on 30 April 2024 and the Company has issued and allotted 61,000,000 new ordinary shares in the capital of the Company to its senior management.

No performance shares were awarded to Directors of the Company and controlling shareholders of the Company or their associates during the financial year ended 31 March 2025,

No performance shares were outstanding as at 31 March 2025

23C. Warrant shares

As at 31 March 2025, the Company has 577,927,240 outstanding warrant shares which are convertible to 577,927,240 ordinary shares. The warrant shares may be exercised to redeem ordinary shares at an exercise price of S$ 0.045 per warrant share before 23 June 2026.

The details of the warrant shares were as follows:

Date of issue	Exercise price	No. of warrant shares on date of issue	Warrant shares exercised	Expired warrant shares	No. of warrant shares on 31 March 2025	Expiry date
24 June 2024	S$ 0.045	577,927,240	–	–	577,927,240	23 June 2026

24. OTHER RESERVES

	Group		Company	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Statutory common reserve (Note 24A)	49,493	45,010	–	–
Foreign currency translation reserve (Note 24B)	2,346	3,168	55,756	54,819
Warrant reserve (Note 24C)	9,000	–	9,000	–
Capital contribution reserve (Note 24D)	(9,000)	–	(9,000)	–
	51,839	48,178	55,756	54,819

24A. Statutory common reserve

	Group	
	2025	2024
	RMB'000	RMB'000
Balance at beginning of the financial year	45,010	43,644
Transferred from retained earnings	4,483	1,366
Balance at end of the financial year	49,493	45,010

Under the regulations in People's Republic of China, the company's subsidiaries are required to set up a statutory reserve which represents a non-distributable reserve made at a rate of at least 10% of net profit after tax until the reserve reaches 50% of the registered paid-up capital in accordance with their Articles of Association. The transfer to this reserve must be made before the payment of dividends to shareholders.

The statutory common reserve can only be used to set off against losses, to expand the entities' production operations or to increase its share capital. The Company and its subsidiaries may convert its statutory common reserve into share capital provided that the remaining balance of such reserve is not less than 25% of the share capital.

24. OTHER RESERVES (CONT'D)

24B. Foreign currency translation reserve

	Group		Company	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at beginning of the year	3,168	2,511	54,819	50,970
Exchange differences on translating functional to presentation currency	(822)	657	937	3,849
Balance at end of the year	2,346	3,168	55,756	54,819

The foreign currency translation reserve represents exchange differences arising from the translation of presentation currency from Singapore Dollar to Chinese Renminbi and it is not distributable.

24C. Warrant reserve

	Group		Company	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at beginning of the year	–	–	–	–
Transfer from capital contribution reserve	9,000	–	9,000	–
Balance at end of the year	9,000	–	9,000	–

As at 31 March 2025, the Company has 577,927,240 outstanding warrant shares which are convertible to 577,927,240 ordinary shares. The fair value per warrant shares is S$ 0.00289 and the fair value of the warrant shares is RMB 9,000,000 (approximately S$ 1,670,000).

24D. Capital contribution reserve

Capital contribution represents non-distributable. The amount is pertained to the fair value of outstanding warrant shares may be exercised to redeem ordinary share before 23 June 2026.

25. TRADE AND OTHER PAYABLES

	Group		Company	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables:				
Third parties	37,251	24,245	–	–
Other payables:				
Third parties	17,480	12,562	3,823	3,594
Subsidiary	–	–	562	1,005
Director/shareholder (Note 3C)	3,578	1,031	3,402	1,031
Subtotal	21,058	13,593	7,787	5,630
Total trade and other payables	58,309	37,838	7,787	5,630
Presented in the statements of financial position as:				
Other payables, non-current	2,561	6,466	–	–
Trade and other payables	55,748	31,372	7,787	5,630
	58,309	37,838	7,787	5,630

26. BANK LOANS

	Group	
	2025	2024
	RMB'000	RMB'000
Bank loans A (unsecured) (Note 26A)	13,845	14,500
Bank loans B (secured) (Note 26B)	61,000	44,000
	74,845	58,500

26A. Bank loans A (unsecured)

The bank loans are repayable within 12 months and renewable annually. The bank loans' fixed interest rates were 3.95% - 5.50% (2024: 3.95% - 5.50%) per annum respectively and are repayable within 12 months.

The bank loans are unsecured, guaranteed by a local credit guarantee company and sole director.

26B. Bank loans B (secured)

The bank loans are secured by mortgages of a leasehold building and land use rights of the Group (see Notes 15). The bank loans bear fixed interest rate at 3.21% - 4.00% (2024: 3.21% - 4.00%) per annum and are repayable within 12 months.

27. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS

27A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	Group		Company	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets:				
At FVOCI:				
Investment in unquoted shares	1,800	900	–	–
At amortised cost:				
Cash and bank balances	183,167	156,151	49	7
Trade and other receivables	91,882	53,789	113,202	106,238
	275,049	209,940	113,251	106,245
Financial liabilities:				
At amortised cost:				
Trade and other payables	58,309	37,838	7,787	5,630
Bank loans	74,845	58,500	–	–
	133,154	96,338	7,787	5,630

Further quantitative disclosures are included throughout these financial statements.

27B. Fair values of financial instruments

The differences between the carrying values of financial instruments at amortised cost are not significantly different from their fair values due to the short-term maturity for majority of these instruments and the disclosures of fair value are not made when the carrying amount of financial instruments is a reasonable approximation of the fair value.

As at 31 March 2025 and 31 March 2024, fair value of financial assets at FVOCI is estimated based on recent transaction price.

27C. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate and currency risk exposures. Management has certain practices for the management of financial risks. The following guidelines are followed: All financial risk management activities are carried out and monitored by senior management staff. All financial risk management activities are carried out following acceptable market practices.

There have been no changes to the exposures to risk, the objectives, policies and processes for managing the risk and the methods used to measure the risk.

27. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

27D. Credit risk on financial assets

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group and the Company to incur a financial loss. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. The Group adopts the policy of dealing only with customers of appropriate credit history and obtaining sufficient security where appropriate to mitigate credit risk.

The Group's and the Company's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group and the Company have determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 30 days when they fall due, which are derived based on the Group's and the Company's historical information.

The Group and the Company consider "low risk" to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the borrower
- Significant increases in credit risk on other financial instruments of the same borrower
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and the Company changes in the operating results of the borrower.

27. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

27D. Credit risk on financial assets (cont'd)

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group and the Company determined that its financial assets are credit-impaired when:

- There is significant difficulty of the borrower

- A breach of contract, such as a default or past due event

- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation

- There is a disappearance of an active market for that financial asset because of financial difficulty

The Group and the Company categorise a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group and the Company. Where loans and receivables have been written off, the Group and the Company continue to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

The table below details the credit quality of the Group's and the Company's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

27. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

27D. Credit risk on financial assets (cont'd)

The Group

	Note	Category	12-month or lifetime ECL	Gross carrying amount RMB'000	Expected credit losses RMB'000	Net carrying amount RMB'000
31 March 2025						
Trade receivables	21	I	12-month ECL	91,452	(472)	90,980
Other receivables	21	I	12-month ECL	902	–	902
Cash and bank balances	22	I	12-month ECL	183,167	–	183,167
					(472)	
31 March 2024						
Trade receivables	21	I	12-month ECL	53,022	(278)	52,744
Other receivables	21	I	12-month ECL	1,045	–	1,045
Cash and bank balances	22	I	12-month ECL	156,151	–	156,151
					(278)	

The Company

	Note	Category	12-month or lifetime ECL	Gross carrying amount RMB'000	Expected credit losses RMB'000	Net carrying amount RMB'000
31 March 2025						
Other receivables	21	I	12-month ECL	113,202	–	113,202
Cash and bank balances	22	I	12-month ECL	49	–	49
					–	
31 March 2024						
Other receivables	21	I	12-month ECL	106,238	–	106,238
Cash and bank balances	22	I	12-month ECL	7	–	7
					–	

27. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

27D. Credit risk on financial assets (cont'd)

Trade receivables

The Group exercises prudence by applying a general provision rate of 0.5% (2024: 0.5%) to calculate ECL for trade receivables on a collective basis. The allowance rate is based on the Group's estimation of future economic conditions and adjusted as appropriate to reflect current conditions.

Other receivables

The Group and the Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Group and the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

Cash and bank balances

Cash and bank balances are placed with financial institutions with high credit-rating assigned by international credit rating agencies. Management monitors the credit ratings of the counterparties regularly. As a result of the above, cash and bank balances qualified for the low credit risk expedient and therefore, impairment of cash and bank balances has been measured based on 12-month ECL and determined that the ECL is insignificant.

Credit risk concentration profile

The Group and the Company has no significant concentration of credit risk. The Group and the Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

27. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

27E. Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulties in meeting financial obligations due to shortage of funds. The Group's and the Company's exposures to liquidity risk arise primarily from mismatches of the maturities of financial assets and liabilities. The Group and the Company manage the liquidity risk by maintaining sufficient cash to enable them to meet their normal operating commitments.

Analysis of financial liabilities by remaining contractual maturities

The table below analyses the maturity profile of the financial liabilities of the Group and the Company based on contractual undiscounted cash flows:

	Carrying amount RMB'000	Contractual cash flows RMB'000	One year or less RMB'000	One to five years RMB'000
Group				
2025				
Financial liabilities				
Trade and other payables	58,309	58,309	55,748	2,561
Bank loans	74,845	78,108	78,108	–
Lease liability	21	47	47	–
	133,175	136,464	133,903	2,561
2024				
Financial liabilities				
Trade and other payables	37,838	37,838	31,372	6,466
Bank loans	58,500	60,805	60,805	–
Lease liability	258	276	243	33
	96,596	98,919	92,420	6,499
Company				
2025				
Financial liabilities				
Other payables	7,787	7,787	7,787	–
2024				
Financial liabilities				
Other payables	5,630	5,630	5,630	–

27. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

27E. Liquidity risk (cont'd)

The Group's and the Company's operations are financed mainly through equity, retained earnings and bank loans. Adequate lines of credits are maintained to ensure the necessary liquidity is available when required. The ability of the Group to meet current obligations is also highly dependent on the ability of the Group to realise cash flows from the trade receivables and inventories.

27F. Interest rate risk

The interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group is not exposed to interest rate risk as its interest-bearing financial assets and financial liabilities are at fixed rates.

The following table analyses the breakdown of the significant financial instruments:

	Group	
	2025 RMB'000	2024 RMB'000
Financial assets:		
Cash and bank balances - Fixed rate	183,167	156,151
Financial liabilities:		
Bank loans - Fixed rate	74,845	58,500

27G. Foreign currency risk

The Group and the Company and its subsidiaries are not exposed to significant foreign currency risk as their business are transacted in functional currencies, which are Singapore Dollars and Chinese Renminbi.

28. CAPITAL COMMITMENTS

Capital expenditures contracted for at the reporting date but not recognised in the financial statements are as follows:

	Group	
	2025 RMB'000	2024 RMB'000
Property, plant and equipment	–	2,931

29. COMPARATIVE FIGURE

Certain reclassifications have been made to the Group's consolidated statement of profit or loss and other comprehensive income for the financial year ended 31 March 2024 to enhance comparability with the current year financial statements.

The items were reclassified as follows:

	Previously reported 31 March 2024 RMB'000	Impact of reclassification 31 March 2024 RMB'000	After reclassification 31 March 2024 RMB'000
Consolidated statement of profit or loss and other comprehensive income			
Revenue	318,447	563	319,010
Cost of sales	(216,576)	(375)	(216,951)
Other income	974	(564)	410
Other operating expenses	(384)	376	(8)

Since the amounts are reclassifications within the consolidated statements of profit or loss and other comprehensive income, the reclassifications did not have any effect on the consolidated statement of financial position, consolidated statement of equity, consolidated statement of cash flows and profit for the year, net of tax.

30. AUTHORISATION OF CONSOLIDATED FINANCIAL STATEMENTS FOR ISSUE

The consolidated financial statements of the Group for the financial year ended 31 March 2025 were authorised for the issue in accordance with a resolution of directors on 15 July 2025.

STATISTICS OF SHAREHOLDINGS

As at 30 June 2025

Number of issued and paid-up shares	: 1,589,299,910 (excluding treasury shares and subsidiary holdings)
Class of shares	: Ordinary Shares
Voting rights	: One vote per share/No vote for treasury shares
No. and percentage of treasury shares	: Nil
No. and percentage of subsidiary holdings	: Nil

DISTRIBUTION OF SHAREHOLDINGS

Size Of Shareholdings	No. Of Shareholders	%	No. Of Shares	%
1 - 99	13	1.41	600	0.00
100 - 1,000	32	3.48	13,325	0.00
1,001 - 10,000	83	9.02	445,925	0.03
10,001 - 1,000,000	691	75.11	149,065,350	9.38
1,000,001 AND ABOVE	101	10.98	1,439,774,710	90.59
TOTAL	**920**	**100.00**	1,589,299,910	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. Of Shares	%
1	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	283,454,720	17.84
2	KHOO THOMAS CLIVE	212,413,000	13.37
3	DBS NOMINEES (PRIVATE) LIMITED	191,780,410	12.07
4	KGI SECURITIES (SINGAPORE) PTE. LTD.	115,207,370	7.25
5	PHILLIP SECURITIES PTE LTD	77,425,850	4.87
6	OCBC SECURITIES PRIVATE LIMITED	65,677,350	4.13
7	MAYBANK SECURITIES PTE. LTD.	58,617,100	3.69
8	IFAST FINANCIAL PTE. LTD.	44,414,890	2.79
9	LIN LIANGONG	30,000,000	1.89
10	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	25,786,180	1.62
11	LUO BAIXIONG	20,000,000	1.26
12	ABN AMRO CLEARING BANK N.V.	15,101,900	0.95
13	CITIBANK NOMINEES SINGAPORE PTE LTD	14,532,010	0.91
14	LIU QIANLONG	10,000,000	0.63
15	RAFFLES NOMINEES (PTE.) LIMITED	9,708,850	0.61
16	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	9,611,900	0.60
17	CHUA ENG SIN	9,100,000	0.57
18	TIGER BROKERS (SINGAPORE) PTE. LTD.	8,079,000	0.51
19	HO LOON MING	6,600,000	0.42
20	CHIN SEK PENG	6,500,000	0.41
	TOTAL	**1,214,010,530**	**76.39**

STATISTICS OF SHAREHOLDINGS

As at 30 June 2025

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct interest	%[1][2]	Deemed interest	%[1][2]
Liang Chengwang[3]	–	–	242,622,600	15.27
Khoo Thomas Clive	212,413,000	13.37	–	–
PTS Capital Pte. Ltd.[4]	–	–	160,000,000	10.07
Yu Lei[5]	–	–	160,000,000	10.07

(1) Calculated based on 1,589,299,910 shares as at 30 June 2025.

(2) Rounded to the nearest two decimal places.

(3) Mr Liang Chengwang is deemed to be interested in 242,622,600 ordinary shares held by CGS International Securities Pte. Ltd..

(4) PTS Capital Pte. Ltd. is deemed to be interested in 160,000,000 ordinary shares held by DBS Bank Ltd.

(5) As Ms. Yu Lei owns more than 20% of the voting rights in PTS Capital Pte. Ltd., Ms. Yu Lei is deemed to have an interest in the shares in the Company held by PTS Capital Pte. Ltd.

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

As at 30 Jun 2025, approximately 974,264,310 Shares, representing approximately 61.30% (rounded to the nearest two decimal place) of the total number of issued Shares (excluding treasury shares), are in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Catalist Rules which requires at least 10.0% of the total number of issued shares excluding treasury shares (excluding preference shares and convertible equity securities) are in the hands of the public.

STATISTICS OF WARRANTHOLDINGS
As at 30 June 2025

DISTRIBUTION OF WARRANTHOLDINGS

SIZE OF WARRANTHOLDINGS	NO. OF WARRANTHOLDERS	%	NO. OF WARRANTS	%
1 - 99	0	0.00	0	0.00
100 - 1,000	2	1.33	1,000	0.00
1,001 - 10,000	14	9.27	75,200	0.01
10,001 - 1,000,000	102	67.55	28,568,320	4.94
1,000,001 AND ABOVE	33	21.85	549,282,720	95.05
TOTAL	**151**	**100.00**	**577,927,240**	**100.00**

TWENTY LARGEST WARRANTHOLDERS

NO.	NAME	NO. OF WARRANTS	%
1	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	148,099,780	25.63
2	KGI SECURITIES (SINGAPORE) PTE. LTD.	130,540,080	22.59
3	KHOO THOMAS CLIVE	70,088,200	12.13
4	PHILLIP SECURITIES PTE LTD	36,210,500	6.27
5	LUO BAIXIONG	34,404,000	5.95
6	LIU QIANLONG	24,003,600	4.15
7	LIN LIANGONG	8,000,000	1.38
8	POH GEOK HUA (FU YUHUA)	7,400,000	1.28
9	HUANG YI	7,000,000	1.21
10	OCBC SECURITIES PRIVATE LIMITED	6,556,800	1.13
11	MAYBANK SECURITIES PTE. LTD.	6,498,800	1.12
12	DBS NOMINEES (PRIVATE) LIMITED	6,007,840	1.04
13	GOH GUAN SIONG (WU YUANXIANG)	5,984,400	1.04
14	QUEK SOON SENG	5,500,000	0.95
15	GOH BING LUH	5,140,000	0.89
16	CITIBANK NOMINEES SINGAPORE PTE LTD	4,929,640	0.85
17	ONG SWEE WHATT	4,766,000	0.82
18	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	4,370,720	0.76
19	JEE MENG KWANG	3,510,400	0.61
20	CHANG HAN SENG	3,000,000	0.52
	TOTAL	**522,010,760**	**90.32**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Zixin Group Holdings Limited (the "**Company**") will be held at YMCA @ One Orchard, Tan Chin Tuan Room Level 4, 1 Orchard Road, Singapore 238824 on Wednesday, 30 July 2025 at 10.00 AM (Singapore Time) to consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions for the following purposes:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 March 2025 together with the Auditors' Report thereon. ***Resolution 1***

2. To re-elect Mr Xue Congyan as a Director pursuant to Regulation 99 of the Company's Constitution. ***Resolution 2***

   [See Explanatory Note (i)]

3. To re-elect Mr Lawrence Chen Tse Chau (Chen Shichao) as a Director pursuant to Regulation 99 of the Company's Constitution. ***Resolution 3***

   [See Explanatory Note (ii)]

4. To approve the payment of Directors' Fees of up to S$ 110,000 for the financial year ending 31 March 2026, payable half-yearly in arrears (FY2025: S$ 110,000). ***Resolution 4***

5. To re-appoint RT LLP as auditors of the Company and to authorise the Directors of the Company to fix their remuneration. ***Resolution 5***

6. To transact any other ordinary business which may be properly transacted at an AGM.

SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. **Authority to allot and issue shares** ***Resolution 6***

   "That pursuant to Section 161 of the Companies Act 1967 (the "**Companies Act**") and subject to Rule 806 of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the Directors of the Company be authorised and empowered to:

   (a) (i) allot and issue shares in the capital of the Company ("**Shares**") (whether by way of rights, bonus or otherwise);

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

   (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force, provided always that:

(i) the aggregate number of Shares (including Shares to be issued in pursuance to Instruments made or granted pursuant to this Resolution) to be issued pursuant to this Resolution does not exceed 100% of the issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b)(ii) below), of which the aggregate number of Shares (including Shares to be issued in pursuance to Instruments made or granted pursuant to this Resolution) to be issued other than on a pro-rata basis to existing shareholders of the Company does not exceed 50% of the issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b)(ii) below);

(ii) (subject to such calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (b)(i) above, the percentage of the total number of issued shares excluding subsidiary holdings (as defined in the Catalist Rules) and treasury shares shall be calculated based on the total number of issued shares excluding treasury shares of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities;

(b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution, provided that the share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(c) any subsequent bonus issue, consolidation or subdivision of shares;

(iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(iv) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

[See Explanatory Note (iii)]

By Order of the Board

Lim Kok Meng
Company Secretary
Singapore, 15 July 2025

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES ON THE ORDINARY AND SPECIAL BUSINESSES TO BE TRANSACTED:

(i) Mr Xue Congyan ("**Mr Xue**") will, upon re-election, remain as a Non-Executive and Independent Director of the Company, the Chairman of the Nominating Committee, a member of the Audit Committee and a member of the Remuneration Committee. The Board considers Mr Xue Congyan to be independent for the purposes of Rule 704(7) of the Catalist Rules.

(ii) Mr Lawrence Chen Tse Chau (Chen Shichao) ("**Mr Chen**") will, upon re-election, remain as a Non-Executive and Lead Independent Director of the Company, the Chairman of the Audit Committee, a member of the Remuneration Committee and a member of the Nominating Committee. The Board considers Mr Chen to be independent for the purposes of Rule 704(7) of the Catalist Rules.

(iii) Ordinary Resolution 6 above, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued shares (excluding treasury shares and subsidiary holdings), of which up to 50% may be issued other than on a pro rata basis to Shareholders.

For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when the resolution is passed and any subsequent consolidation or subdivision of shares.

Notes:

1. **Participation:**

(a) The AGM is being convened and will be held in a wholly physical format at YMCA @ One Orchard, Tan Chin Tuan Room Level 4, 1 Orchard Road, Singapore 238824 on Wednesday, 30 July 2025 at 10.00 AM (Singapore Time). There will be no option for members to participate virtually.

(b) Members should bring along their NRIC/passport to enable the Company to verify their identity. Members are also requested to arrive early to facilitate the registration process and are advised not to attend the AGM if they are feeling unwell.

(c) All members may, prior to the AGM, submit questions relating to the business of the AGM no later than 10.00 AM (Singapore Time) on 23 July 2025, being not less than seven (7) calendar days after this notice is published via either of the following:

(i) by post to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 1 Harbourfront Avenue, #14-07, Keppel Bay Tower, Singapore 098632; or

(ii) if submitted electronically, submitted by way of email to info@zixinshuye.com.

(d) When submitting questions via post or via email, shareholders should provide the following details: (i) the shareholder's full name, (ii) shareholder's email address; (iii) shareholders' NRIC/Passport No./Company Registration No.; and (iv) the manner in which the shareholder holds share in the Company, for verification purposes.

(e) The Company will endeavour to address questions on SGXNet which are substantial and relevant by 25 July 2025 (being not less than 48 hours prior to the closing date and time for the lodgement of the proxy forms). For substantial and relevant questions received after the prescribed deadline, the Company will endeavour to address them together with questions raised at the AGM. The Company's responses to questions addressed during the AGM, or follow up questions on substantial and relevant questions received prior to the AGM will be published on the SGXNet and the Company's corporate website, together with the minutes of the AGM within one (1) month after the date of the AGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

2. **Appointment of Proxy(ies)**

(a) A member who wishes to appoint proxy(ies) must complete the instrument appointing proxy(ies), before submitting it in the manner set out below.

(b) A proxy need not be a member of the Company, and a member may choose to appoint the Chairman of the AGM as his/her/its proxy.

(c) A member who is not a Relevant Intermediary* is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the AGM. Where such member's instrument appointing proxy(ies) appoints more than one (1) proxy, the appointments shall be invalid unless he/she/it specifies the proportion of his/her/its shareholding (expressed as a percentage of the whole) to be represented by each proxy.

A member who is a Relevant Intermediary is entitled to appoint more than one (1) proxies to speak, attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than one (1) proxy, it should annex to the Proxy Form the list of proxies, setting out, in respect of each proxy, the name, address, email address, NRIC/passport number and proportion of shareholding (number of Shares and percentage) in relation to which each proxy has been appointed. For the avoidance of doubt, a SRS operator who intends to appoint SRS investors as its proxies shall comply with this note and to the relevant Notice of AGM. The appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed in the Proxy Form.

* Relevant Intermediary has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

(d) The instrument appointing the proxy(ies) must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing a proxy(ies) is signed on behalf of the appointed by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument is submitted personally or by post, be lodged with the instrument or, if the instrument is submitted electronically via email, be emailed with the instrument, failing which the instrument may be treated as invalid.

(e) The instrument appointing a proxy(es) must be submitted to the Company in the following manner:

(i) if submitted by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 1 Harbourfront Avenue, #14-07, Keppel Bay Tower, Singapore 098632; or

(ii) if submitted electronically, submitted by way of email to info@zixinshuye.com,

in either case, by 10.00 AM (Singapore Time) on 28 July 2025, being not less than 48 hours before the time set for the AGM, and in default the instrument of proxy shall not be treated as valid.

A member who wishes to submit an instrument of proxy must first 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.

(f) This proxy form is not valid for use by investors holding shares in the Company under the Supplementary Retirement Scheme ("**SRS Investors**") and shall be ineffective for all intents and purposes if used or purported to be used by them. SRS Investors who wish to vote at the AGM should approach their respective SRS operators to submit their votes at least seven (7) working days before the date of the AGM (i.e. by 18 July 2025), SRS Investors should contact their respective SRS operators for any queries they may have with regard to the appointment of proxy for the AGM.

(g) The Company shall be entitled to reject a proxy form if it is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject a proxy form lodged if the member, being the appointer, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM (or at any adjournment thereof), as certified by The Central Depository (Pte) Limited to the Company.

3. **Despatch of Documents:** All documents (including the Annual Report, Proxy Form, this Notice of AGM, and the Request Form) or information relating to the business of the AGM have been or will be published on SGXNet and the Company's website at https://www.zixingroup.com.sg/. Please note that printed copies of this Notice of AGM, Proxy Form and the Request Form will be despatched to members, whereas printed copies of the Annual Report will not be despatched to members unless the relevant member submits the Request Form to the Company in accordance with the instructions set out therein. Members are advised to check SGXNet and/or the Company's website regularly for updates.

4. **Personal Data Privacy:** By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, or by attending the AGM, the member of the Company (a) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (b) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (c) 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. In addition, by attending the AGM and/or adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for any of the Purposes.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Lawrence Chen Tse Chau (Chen Shichao) and Mr Xue Congyan are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on 30 July 2025 (collectively, the "**Retiring Directors**").

Pursuant to Rule 720(5) of the Listing Manual Section B: Rules of the Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the following is the information relating to the Retiring Directors as set out in Appendix 7F to the Listing Manual Section B: Rules of the Catalist of the SGX-ST:

Name of Director	**Lawrence Chen Tse Chau (Chen Shichao)**	**Mr Xue Congyan**
Date of appointment	26 October 2020	8 August 2019
Date of last re-appointment (if applicable)	8 September 2023	8 September 2023
Age	43	50
Country of principal residence	Singapore	Singapore
The Board's comments on this re-election (including rationale, selection criteria, board diversity consideration, and the search and nomination process)	The Board, having considered the recommendation of the Nominating Committee, as well as assessed the qualifications and experience of Mr Lawrence Chen Tse Chau (Chen Shichao), is of the view that he has the requisite experience and capabilities to assume the duties and responsibilities as a Non-Executive and Lead Independent Director of the Company.	The Board, having considered the recommendation of the Nominating Committee, as well as assessed the qualifications and experience of Mr Xue Congyan, is of the view that he has the requisite experience and capabilities to assume the duties and responsibilities as a Non-Executive and Independent Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive Lead Independent Director, Audit Committee Chairman, Nominating Committee Member and Remuneration Committee Member	Non-Executive Independent Director, Nominating Committee Chairman, Audit Committee Member and Remuneration Committee Member
Professional Qualifications	Diploma in Marine Engineering, Singapore Polytechnic Bachelor of Science in Applied Accounting (Upper Second Class Honours), Oxford Brookes University Fellow Member of The Association of Chartered Certified Accountants (ACCA, UK) Chartered Accountant of Singapore, Institute of Singapore Chartered Accountants Senior Accredited Director of Singapore Institute of Directors	Bachelor of Science in Computer Science from Angeles University of the Republic of Philippines Master of Science in International Finance (with Merit) from the University of Leeds of the United Kingdom Master of Science in Global Finance from the HKUST & NYU Stern School of Business

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Lawrence Chen Tse Chau (Chen Shichao)	Mr Xue Congyan
Working experience and occupation(s) during the past 10 years	March 2025 to present: Managing Director at Athel Assurance Public Accounting Corporation. July 2023 to present: Independent Director and Non-Executive Chairman of Sevens Atelier Limited September 2020 to present: Managing Partner at Prime Accountants LLP November 2022 to July 2023: Lead Independent Director of Sevens Atelier Limited September 2021 to December 2021: Director at Prime Talent Opportunities Pte Ltd April 2021 to November 2022: Non-Executive and Independent Director of Sevens Atelier Limited March 2021 to November 2021: Director at Radiant Management Services Pte. Ltd. November 2020 to November 2022: Director at Athel Assurance Public Accounting Corporation October 2020 to November 2021: Director at Prime Accountants Solutions Pte. Ltd. September 2020 to June 2022: Public Accountant Employee at Acumen Assurance and Acumen Associates LLP September 2020 to September 2021: Public Accountant Employee at SYA Public Accounting Corporation September 2020 to August 2021: Director at Athel Accounting Pte. Ltd September 2020 to March 2021: Audit Partner at JSL & Associates October 2018 to September 2020: Assurance Associate Director at CLA Global TS Holdings Pte. Ltd. December 2017 to October 2018: Group Financial Controller at ecoWise Holdings Limited	July 2023 to present: Non-Executive Independent Director of Versalink Holdings Limited June 2023 to present: Non-Executive Independent Director of Camsing Healthcare Limited September 2016 to present: Founder of Mundial Financial Group, LLC May 2015 to present: Director of Beijing Anjien Entertainment Technology Co., Ltd. May 2013 to present: Founder of Beijing Gloryhope Capital (Limited Partnership) April 2012 to present: Co-Founder and Managing Director of Go & Company (HK) Limited August 2008 to present: Director of Kunming Kaishi Advertising Limited Liability Company June 2008 to present: Director of Shanxi Huanghe Zhongwang Animation Technology Co., Ltd April 2019 to November 2019: Independent Director of Northern Minerals Limited April 2007 to April 2015: Managing Director of Chardan Capital Markets LLC

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Lawrence Chen Tse Chau (Chen Shichao)	Mr Xue Congyan
	August 2016 to December 2017: Assistant Group Financial Controller at ecoWise Holdings Limited January 2013 to June 2016: Audit Senior Manager at RSM SG Assurance LLP	
Shareholding interest in the listed issuer and its subsidiaries	No	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments including Directorships		
• Past (for the last 5 years)	Prime Talent Opportunities Pte Ltd Radiant Management Services Pte. Ltd. Prime Accountants Solutions Pte. Ltd. Acumen Assurance and Acumen Associates LLP SYA Public Accounting Corporation Athel Accounting Pte. Ltd JSL & Associates	Northern Minerals Limited
• Present	Athel Assurance Public Accounting Corporation Seven Atelier Limited Prime Accountants LLP	Versalink Holdings Limited Camsing Healthcare Limited Mundial Financial Group, LLC Beijing Anjien Entertainment Technology Co., Ltd. Beijing Gloryhope Capital (Limited Partnership) Go & Company (HK) Limited Kunming Kaishi Advertising Limited Liability Company Shanxi Huanghe Zhongwang Animation Technology Co., Ltd.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director		Lawrence Chen Tse Chau (Chen Shichao)	Mr Xue Congyan
(a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c)	Whether there is any unsatisfied judgment against him?	No	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director		Lawrence Chen Tse Chau (Chen Shichao)	Mr Xue Congyan
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Lawrence Chen Tse Chau (Chen Shichao)	Mr Xue Congyan
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:- i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director		Lawrence Chen Tse Chau (Chen Shichao)	Mr Xue Congyan
(k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Any prior experience as a director of a listed Company? *If yes, please provide details of prior experience.* *If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).*		Not applicable as this is in relation to the re-appointment of a Director.	Not applicable as this is in relation to the re-appointment of a Director.

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ZIXIN GROUP HOLDINGS LIMITED
(UEN: 200718683N)
(Incorporated in the Republic of Singapore)

PROXY FORM
ANNUAL GENERAL MEETING

(Please see notes overleaf before completing this Proxy Form)

IMPORTANT:
1. The Annual General Meeting ("**AGM**") is being convened and will be held in a wholly physical format at YMCA @ One Orchard, Tan Chin Tuan Room Level 4, 1 Orchard Road, Singapore 238824 on Wednesday, 30 July 2025 at 10.00 AM (Singapore Time). **There will be no option for members to participate virtually.**
2. **Please read the notes overleaf which contains instructions on, *inter alia*, on the appointment of proxy(ies).**
3. SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective SRS operators to submit their votes at least seven (7) working days before the AGM in order to allow sufficient time for their respective SRS operators to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf by the cut-off date.
4. By submitting an instrument appointing proxy(ies) and/or representatives, the member accepts and agrees to the personal data protection terms as set out in the Notice of AGM dated 15 July 2025.

I/We*, ____________________ (full name in capital letters)

(NRIC / Passport No. / Company Registration No. ____________________)

of ____________________ (full address)

being a member/members* of **ZIXIN GROUP HOLDINGS LIMITED** (the "**Company**") hereby appoint:

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

and/or*

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

or failing the person(s) referred to above, the Chairman of the Annual General Meeting ("**AGM**") of the Company as my/our* proxy to attend and vote for me/us* on my/our* behalf at the AGM of the Company, to be held in wholly physical format at YMCA @ One Orchard, Tan Chin Tuan Room Level 4, 1 Orchard Road, Singapore 238824 on Wednesday, 30 July 2025 at 10.00 AM (Singapore Time) and at any adjournment thereof.

I/We* direct my/our* proxy/proxies* to vote for, against or abstain from the resolutions to be proposed at the AGM as indicated hereunder. **If no specific direction as to voting is given, the proxy(ies) will have discretion to vote or abstain from voting on any other matter arising at the AGM and at any adjournment thereof.**

All resolutions put to the vote at the AGM shall be conducted by poll.

(Please indicate your vote "**For**" or "**Against**" or "**Abstain**", with a "**X**" within the box provided. Alternatively, please indicate the number of votes as appropriate.)

NO.	**RESOLUTIONS RELATING TO:**	**FOR**	**AGAINST**	**ABSTAIN**
ORDINARY BUSINESS				
1	To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 March 2025 together with the Independent Auditors' Report thereon.			
2	To re-elect Mr Xue Congyan as a Director of the Company pursuant to Regulation 99 of the Company's Constitution.			
3	To re-elect Mr Lawrence Chen Tse Chau (Chen Shichao) as a Director of the Company pursuant to Regulation 99 of the Company's Constitution.			
4	To approve the payment of Directors' fees of up to $110,000 for the financial year ending 31 March 2026, payable half-yearly in arrears (FY2025: S$ 110,000).			
5	To re-appoint RT LLP as auditors of the Company and to authorise the Directors to fix their remuneration.			
SPECIAL BUSINESS				
6	Authority to allot and issue shares.			

Dated this ________ day of ___________ 2025

____

Signature of Member(s)*
or, Common Seal of Corporate Member*

* Delete accordingly

IMPORTANT: PLEASE READ NOTES OVERLEAF.

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of shares. If you have shares registered in your name in the register of members of the Company, you should insert that number of shares. If you have shares registered in your name in the Depository Register and shares registered in your name in the register of members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the register of members. If no number is inserted, this proxy form shall be deemed to relate to all the shares held by you.

2. A member who wishes to appoint proxy(ies) must complete the instrument appointing proxy(ies), before submitting it in the manner set out below.

3. A proxy need not be a member of the Company, and a member may choose to appoint the Chairman of the AGM as his/her/its proxy.

4. A member who is not a Relevant Intermediary* is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the AGM. Where such member's instrument appointing proxy(ies) appoints more than one (1) proxy, the appointments shall be invalid unless he/she/it specifies the proportion of his/her/its shareholding (expressed as a percentage of the whole) to be represented by each proxy.

   A member who is a Relevant Intermediary is entitled to appoint more than one (1) proxies to speak, attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than one (1) proxy, it should annex to the Proxy Form the list of proxies, setting out, in respect of each proxy, the name, address, email address, NRIC/passport number and proportion of shareholding (number of Shares and percentage) in relation to which each proxy has been appointed. For the avoidance of doubt, a SRS operator who intends to appoint SRS investors as its proxies shall comply with this note and to the relevant Notice of AGM. The appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed in the Proxy Form.

   * Relevant Intermediary has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

5. The instrument appointing the proxy(ies) must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing a proxy(ies) is signed on behalf of the appointed by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument is submitted personally or by post, be lodged with the instrument or, if the instrument is submitted electronically via email, be emailed with the instrument, failing which the instrument may be treated as invalid.

6. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 1 Harbourfront Avenue, #14-07, Keppel Bay Tower, Singapore 098632; or

   (b) if submitted electronically, submitted by way of email to info@zixinshuye.com,

   in either case, by no later than 10.00 AM (Singapore Time) on 28 July 2025, being not less than 48 hours before the time set for the AGM, and in default the instrument of proxy shall not be treated as valid.

   A member who wishes to submit an instrument of proxy must first 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.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore.

8. This proxy form is not valid for use by investors holding shares in the Company under the Supplementary Retirement Scheme ("**SRS Investors**") and shall be ineffective for all intents and purposes if used or purported to be used by them. SRS Investors who wish to vote at the AGM should approach their respective SRS operators to submit their votes at least seven (7) working days before the date of the AGM (i.e. by 18 July 2025). SRS Investors should contact their respective SRS operators for any queries they may have with regard to the appointment of proxy for the AGM.

9. The Company shall be entitled to reject a proxy form if it is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject a proxy form lodged if the member, being the appointer, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM (or at any adjournment thereof), as certified by The Central Depository (Pte) Limited to the Company.

10. **Personal Data Privacy:** By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, or by attending the AGM, the member of the Company (a) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (b) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (c) 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. In addition, by attending the AGM and/or adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for any of the Purposes.

11. The sending of a proxy form by a Shareholder does not preclude him/her from attending and voting in person at the AGM in place of his/her proxy if he/she finds that he/she is able to do so, in which case the appointment of the proxy shall be deemed to be revoked by such attendance.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Liang Chengwang
Executive Chairman & CEO

Mr Lawrence Chen Tse Chau (Chen Shichao)
Non-Executive and Lead Independent Director

Mr Xue Congyan
Non-Executive and Independent Director

Mr Ng Poh Khoon
Non-Executive and Independent Director

AUDIT COMMITTEE

Mr Lawrence Chen Tse Chau (Chen Shichao) (Chairman)
Mr Xue Congyan
Mr Ng Poh Khoon

NOMINATING COMMITTEE

Mr Xue Congyan (Chairman)
Mr Ng Poh Khoon
Mr Lawrence Chen Tse Chau

REMUNERATION COMMITTEE

Mr Ng Poh Khoon (Chairman)
Mr Xue Congyan
Mr Lawrence Chen Tse Chau (Chen Shichao)

COMPANY SECRETARY

Mr Lim Kok Meng

REGISTERED OFFICE

60 Paya Lebar Road
#13-40 Paya Lebar Square
Singapore 409051
Tel: (65) 6980 5600
Email: info@zixinshuye.com.sg
Website: www.zixingroup.com.sg

CONTINUING SPONSOR

RHB Bank Berhad
90 Cecil Street
#03-00 RHB Bank Building
Singapore 069531
Tel: (65) 6320 0627

AUDITORS

RT LLP
70 Shenton Way
#07-15 Eon Shenton
Singapore 079118
Partner-in-charge: Heng Sot Leng
(Appointed since the financial year ended 31 March 2025)

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
1 HarbourFront Ave,
#14-07 Keppel Bay
Singapore 098632
Tel: (65) 6536 5355
Fax: (65) 6536 1360

PRINCIPAL BANKERS

RHB Bank Berhad (Singapore)
CIMB Bank (Singapore)

INVESTOR RELATIONS

Octave FinComm Private Limited
富登财经通讯私人有限公司
Email: enquiry@octavecomms.com
Website: www.octavecomms.com

ZIXIN GROUP HOLDINGS
紫心集团控股

(Incorporated in the Republic of Singapore)
(Unique Entity No.: 200718683N)
www.zixingroup.com.sg