
RESPONSE TO QUESTIONS FROM THE SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

The Board of Directors (“**Board**”) of Zixin Group Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the questions received from the Securities Investors Association (Singapore) (“**SIAS**”) in relation to, among others, the annual report of the Company for the financial year ended 31 March 2025. The Group did not receive questions from the Shareholders as at the date of this announcement.

The Company’s responses to the questions received from the SIAS are as follows:

- Q1.** In FY2025, the Group recorded a 33.1% year-on-year increase in revenue to RMB 424.7 million, up from RMB 319.0 million in FY2024. Net profit after tax rose 219.9% to RMB 42.7 million, compared to RMB 13.4 million in the previous year. The strong performance was attributed to growth across its three core business segments: (i) Cultivation and Supply, (ii) Product Innovation and Food Production, and (iii) Recovery and Recycling.

Composite gross margin improved from 32.0% in FY2024 to 34.0% in FY2025, despite new machinery at the Group’s manufacturing facility not yet being fully utilised.

- (i) What is the total installed manufacturing capacity, and what was the average utilisation rate during FY2025? Based on current infrastructure, what level of growth can the Group accommodate before requiring further capital expenditure?

Company’s Response

The total installed manufacturing capacity of the Group was at 13,700 tonnes in FY2025, with an average utilisation rate of approximately 76%.

There is no predetermined production capacity that would trigger further capital expenditure; instead, any expansion in capacity will be carefully evaluated based on the Group’s strategic needs and evolving market dynamics.

- (ii) The Recovery and Recycling segment started generating revenue only in the second half of the year, netting RMB445,000 in revenue. Can management elaborate on the size of the addressable market?

Company’s Response

The Company is unable to accurately gauge the size its addressable market at this juncture as the Recovery and Recycling Segment is still in its early stages of development. However, the Company is cautiously optimistic of the business of its Recovery and Recycling Segment in view of trends indicating a transition away from traditional feedstock. For example, China's agricultural ministry had issued a three year action plan in April 2023 aimed at reducing the use of soymeal in animal feed so as to reduce the country's heavy reliance on soybean imports.

- (iii) **Does management have greater visibility on the timeline and milestones for the Hainan Province expansion? What are the projected capital requirements and funding sources for this initiative? How much influence does the Group have in this initiative?**

Company's Response

The Hainan Province expansion, which is the revitalisation project in Lingao County, involves 12 administrative villages is segregated into primary and secondary projects. The primary project focuses on land development with stipulated milestones to be completed within three years, which will be carried out in phases to allow the secondary projects which involve agricultural and tourism activities to progress in tandem.

The Company had announced on 13 November 2024 that three of the twelve villages in Lingao County's rural revitalisation project have completed primary land development, achieving (i) agricultural land remediation and quality enhancement; (ii) optimal land use efficiency; and (iii) ecological restoration. The Company will provide further updates pertaining to the primary land development when there are further material developments.

The Company had on 3 July 2023 announced that in relation to the participation in the rural revitalisation project in Lingao County, the Group's subsidiary, Fujian Zixin Biotechnological Potato Co., Ltd. ("**Zixin Biotech**"), and CITIC Construction Co., Ltd., Huiteng Xile Tourism and Culture Co., Ltd. and Liao Ecological Technology Group Co., Ltd had incorporated a joint venture company, Hainan Xinwei Land Development Co., Ltd. ("**Hainan Xinwei**") with a registered paid-up capital of RMB120.0 million. Zixin Biotech's capital contribution is RMB3.6 million, holding a 3% shareholding in Hainan Xinwei. Zixin Biotech's capital contribution is funded through internal resources and is not expected to have any material impact on the net tangible assets and earnings per share of the Group for the financial year ending 31 March 2026.

The Company will provide an update to shareholders once key milestones have been reached in connection with the Hainan Province expansion.

The Company raised \$2.1 million in net proceeds through a rights-cum-warrants issue that was completed in June 2024, issuing 144,481,810 rights shares and 577,927,240 free detachable warrants. All net proceeds have been fully utilised.

As at 31 March 2025, the Group had RMB183 million in cash and bank balances, up from RMB156 million a year earlier. Net cash stood at RMB108.3 million, up from RMB97.7 million.

The rights issue was priced at \$0.0165 per rights share, with four free detachable warrants for each rights share. This was at a significant discount to both the market price and the theoretical ex-rights price of approximately \$0.0215. It was also dilutive, as the net asset value per share was RMB0.371.

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)%

(Source: company annual report)

- (iv) Can the independent directors explain the extent of their involvement in the rights-cum-warrants exercise? What discussions were held around the pricing, the number of free warrants, and the overall sizing of the offer? Given that the Company had nearly RMB 100 million in cash in its last audited financials prior to the issue, was such a dilutive fundraising necessary?

Company's Response

The independent directors were actively involved in the review and deliberation of the rights-cum-warrants exercise, and discussions were held between the independent directors and the Group's management to discuss the rights-cum-warrants exercise, including discussions pertaining to the rationale, the pricing, the number of free warrants and the overall sizing of the offer.

As stated in the Offer Information Statement dated 30 May 2024, the rights-cum-warrants issue was intended to raise the funds required for the Group to expand its business and operations in the People's Republic of China ("PRC") and Singapore. The Group planned to expand into high technology manufacturing, enhance the Group's research capabilities, and expand the farmland across which the Group (including farmers contracted by the Group) harvests, cultivates and (where applicable) supplies sweet potatoes for and to the Group, amongst others. In addition, part of the proceeds from the rights cum warrants issue was

intended to be utilised as working capital for the Group's activities in Singapore and the expansion of the Group's business and operations in Singapore. The foregoing would include, *inter alia*, funding administrative and human resource expenses, other operating expenses and other future expansions which the Board deems to be in the interests of the Company and the Group.

In addition to the proceeds to be received from the subscription of rights shares with warrants by the Shareholders, the Company will receive further proceeds as and when the warrants are exercised. A stronger capital base would also enable the Group to better weather global economic uncertainties such as higher interest rates, geopolitical tensions and inflationary pressures.

Q2. On 22 March 2024, the Company announced the grant of 61 million ordinary shares to senior management under the performance share plan (PSP). However, based on the Company's remuneration disclosures for FY2025 and FY2024, no key management personnel received performance-based bonuses.

Details of remuneration for the Directors and key management personnel in FY2024 are set out in the table below.

	Salary % ⁽¹⁾	Performance Based Bonus % ⁽¹⁾	Directors' Fees %	Other Benefits ⁽²⁾ %	Total %
Executive Directors					
S\$250,000 and below					
Liang Chengwang	100	–	–	–	100
Non-Executive and Independent Directors					
S\$250,000 and below					
Lawrence Chen Tse Chau (Chen Shichao)	–	–	100	–	100
Ng Poh Khoon	–	–	100	–	100
Xue Congyan	–	–	100	–	100
Key management personnel⁽³⁾					
S\$250,000 and below					
Yi Ming	100	–	–	–	100
Jee Meng Kwang	100	–	–	–	100

Notes:

- (1) Salary and performance-based bonus include employer's contributions 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.
(3) The Company has only two (2) key management personnel who are not directors or the CEO of the Company.

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

	Salary ⁽¹⁾ (\$)	Performance Based Bonus ⁽¹⁾ (\$)	Directors' Fees (\$)	Other Benefits ⁽²⁾ (\$)	Total Remuneration (\$)
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.

(Compiled from company annual reports; emphasis added)

- (i) **Can the remuneration committee clarify how many individuals received shares under the PSP and provide a breakdown by number of shares and seniority of recipients?**

Company's Response

Particulars of the individuals who received shares under the PSP are as follows:

No.	Name	Position/length of service	Number of Shares
1.	Lin Liangong	Administration Manager / 12 years	30,000,000 ordinary shares
2.	Luo Baixiong	Chief Executive Office Manager / 15 years	20,000,000 ordinary shares
3.	Liu Qianlong	Manager / 13 years	10,000,000 ordinary shares
4.	Jee Meng Kwang	Group Financial Controller / 6 years	1,000,000 ordinary shares

As regards to Jee Meng Kwang, his receipt of the 1,000,000 ordinary shares was recorded as "Other Benefits" under the Company's FY2025 remuneration disclosure.

- (ii) **How were the recipients selected?**

Company's Response

The recipients were selected based on a range of factors, including but not limited to the length of their service to the Group and the specific contributions to the business objectives of the Group, such as spearheading the construction and completion of the Group's high-tech manufacturing facility, research laboratories, smart warehouse and pushing for strategic collaborations with key partners including the Agricultural Genomics Institute in Shenzhen and various county governments in the People's Republic of China. This is also considering that the recipients are key personnels that have specific expertise in the Group's business that will be pivotal for the Group's subsequent expansion plans. The Group has therefore decided to reward and retain these key personnel rather than lose them to competitors.

At the time of the grant, the number of issued shares stood at 1,383,818,000. The 61 million PSP shares therefore represented 4.4 percent of the pre-grant share base.

- (iii) **What performance conditions or benchmarks did the remuneration committee use to justify the magnitude of the 61 million share grant? Was the equity award calibrated in line with sector benchmarks and total**

shareholder return performance? How was alignment with long-term shareholder value creation ensured?

Company's Response

The grant of 61,000,000 PSP shares was determined by the Company after considering a range of factors including those set out in the response to Question 2(ii) above. The Company is of the view that such grants were necessary to retain key personnels that have been pivotal to the advancement of the Group's business objectives.

- Q3. Recent media coverage and analyst reports have raised the Company's visibility in the investing community. In an interview with The Edge Singapore, it was reported that Mr Liang Chengwang, the executive chairman and CEO, met with a new substantial shareholder who had accumulated over 5% of the Company's shares.**

The article disclosed the following:

... [the shareholder] asked [Mr] Liang questions ranging from why the company was listed in Singapore, his goals and aspirations, and his business philosophy. Liang, of course, also indicated his near-term expansion targets. At the various follow-up meetings, [the shareholder] would then ask Liang if those targets had been met. Following each meeting, [the shareholder] would then buy more Zixin shares. Since last June, [the shareholder] has increased his stake steadily, and at ever higher prices. His most recent buying was on May 27 when he paid 3.3 cents for 8 million shares to bring his total stake to nearly 214.6 million shares, or 13.501%, making him the second biggest shareholder after Liang.

This raises material questions about the Company's investor relations framework and how the Board safeguards the principle of equal access to information.

- (i) What are the Company's policies governing investor engagement, media interactions and the disclosure of operational performance? Specifically, how does the Board ensure that no investor or analyst receives material non-public information ahead of others?**

Company's Response

As stated in the "Corporate Governance Report", the Group has established an investor relations policy ("**IR Policy**") in relation to investor engagement, media interactions and disclosure of operational performance so as to ensure compliance with the relevant regulations, including the Securities and Futures Act 2001 of Singapore and the Catalist Rules. The IR Policy is to be adhered to by all personnels in the Group, regardless of their position, and is intended to ensure that **all** shareholders are informed of the Group's major developments, including press releases and corporate presentation materials to investors or analysts, on a timely basis via SGXNet and the Company's corporate website. The Company also wishes to emphasize that no new information is disclosed during meetings and discussions between the shareholders and the Group's management, and the dissemination of material information to all shareholders is a crucial

consideration for the Company in its engagement with shareholders and other third parties.

The Board wishes to stress that Mr Liang did not carry out selective non-disclosure to this substantial shareholder and this substantial shareholder had increased his investment in the Company because he was impressed by Mr Liang's passion and vision for the Group and its businesses.

- (ii) **Has the Board provided training or guidance to key management to ensure private dialogues and briefings do not create perceived or real information asymmetries in the market?**

Company's Response

All directors and the Group's management have been informed of the IR Policy. In addition, all directors have also undergone the necessary training under the Catalyst Rules.

By Order of the Board

Liang Chengwang
Executive Chairman and Chief Executive Officer

25 July 2025

*This announcement 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 Catalyst.*

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

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