ZIXIN GROUP HOLDINGS
紫心集团控股
(Incorporated in the Republic of Singapore with Unique Entity No.: 200718683N)
Website: www.zixingroup.com.sg
SGX stock code: 42W

MATERIAL VARIANCES BETWEEN THE UNAUDITED FINANCIAL STATEMENTS AND THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

The Board of Directors ("**Board**") of Zixin Group Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the Company's announcement dated 30 May 2026 relating to its unaudited financial results for the financial year ended 31 March 2026 ("**FY2026**") (the "**Unaudited Financial Statements**"). Further reference is made to the audited financial statements of the Company for FY2026 (the "**Audited Financial Statements**") and the report thereon by the Company's independent auditors that have been included in the Company's annual report for FY2026 released on SGXNet on 16 July 2026.

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of the Catalist of the Singapore Exchange Securities Trading Limited, th e Board wishes to announce that subsequent to the release of the Unaudited Financial Statements, certain adjustments and reclassifications were made to the Unaudited Financial Statements following the finalisation of the audit by RT LLP, the Company's independent auditors.

The material variances between the financial results in the Unaudited Financial Statements and Audited Financial Statements are set out below, which should be read in conjunction with the Audited Financial Statements and/or Unaudited Financial Statements:

Consolidated Statement of Financial Position as at 31 March 2026

	Group		Variance		
	(Audited) RMB'000	(Unaudited) RMB'000	RMB'000	%	Note
Non-Current Assets					
Property, plant and equipment	163,194	182,907	(19,713)	(10.8)	A
Intangible assets	42,914	77,855	(34,941)	(44.9)	B
Other assets	110,412	98,164	12,248	12.5	A & B
Current Assets					
Biological assets	6,416	–	6,416	n.m.	C
Inventories	2,224	5,595	(3,371)	(60.3)	C
Other assets	191,951	149,546	42,405	28.4	A & B
Current liabilities					
Income tax payable	7,540	8,781	(1,241)	(14.1)	D
Trade and other payables	58,110	56,869	1,241	2.2	D

Consolidated Statement of Profit or Loss and Other Comprehensive Income for FY2026

	Group		Variance		
	(Audited) RMB'000	(Unaudited) RMB'000	RMB'000	%	Note
Cost of sales	(430,184)	(420,170)	(10,014)	2.4	A & B
Other gains, net	4,080	1,475	2,605	176.6	C & F
Other losses	–	(438)	438	(100)	F
Administrative expenses	(60,823)	(70,837)	10,014	(14.1)	A & B

Consolidated Statement of Cash Flows for FY2026

	Group		Variance		
	(Audited) RMB'000	(Unaudited) RMB'000	RMB'000	%	Note
Cash flow from operating activities					
Depreciation of property, plant and equipment	18,454	21,122	(2,668)	(12.6)	A
Amortisation of intangible assets	2,168	9,436	(7,268)	(77.0)	B
Net changes in fair value of biological assets	(3,044)	–	(3,044)	n.m.	C
Biological assets	507	–	507	n.m.	C
Inventories	(1,630)	(1,123)	(507)	45.1	C
Other assets	13,362	17,464	(4,102)	(23.5)	A & B
Trade and other payables	2,648	(1,440)	4,088	n.m.	D
Income taxes paid	(18,913)	(14,856)	(4,057)	27.3	D
Cash flows from investing activities					
Additions to property, plant and equipment	(2,585)	(1,929)	(656)	34.0	A
Additions to intangible assets	(1,684)	(16,367)	14,683	(89.7)	B
Placement of fixed deposits with maturity over three months	(50,000)	–	(50,000)	n.m.	E
Proceeds from maturity of fixed deposits	50,975	–	50,975	n.m.	E
Cash and cash equivalents, beginning balance	132,192	183,167	(50,975)	(27.8)	E
Cash and cash equivalents, ending balance	164,638	214,635	(49,997)	(23.3)	E

n.m. – not meaningful

Notes:

A. Renovation costs incurred in the previous financial year on farmland cultivated by certain suppliers under farmland improvement agreements were previously classified as property, plant and equipment. On reassessment, the Group has determined that these costs do not meet the recognition criteria for property, plant and equipment under SFRS(I) 1-16 Property, Plant and Equipment, as the Group does not have control over the underlying land.

Consistent with the analysis in Note B below, the costs represent expenditure incurred in advance of the benefit to be received under the farmland improvement agreements. The expenditure has accordingly been reclassified from property, plant and equipment to other assets and is charged to profit or loss over a period of 5 years, being the period over which the benefit of the improvements is expected to be consumed. The charge previously recognised within administrative expenses as depreciation has correspondingly been reclassified to cost of sales, as the expenditure is directly attributable to securing the supply of sweet potato plants. The reclassification has no impact on the profit for the year or on the net assets of the Group for the previous financial year.

B. Payments made to certain suppliers in the previous financial year to secure access to their farmland for the cultivation of sweet potato were previously classified as rights-of-use assets within intangible assets. On reassessment, the Group has determined that these payments do not meet the recognition criteria for an intangible asset under SFRS(I) 1-38 Intangible Assets, as the Group does not have control over the underlying farmland.

The substance of the payments is that they represent advance consideration for the future supply of sweet potato plants by the relevant suppliers. Accordingly, the payments have been reclassified from intangible assets to other assets. The amortisation charge previously recognised within administrative expenses has correspondingly been reclassified to cost of sales, as the utilisation of the prepayments is directly attributable to the purchase of sweet potato plants. The reclassification has no impact on the profit for the year or on the net assets of the Group for the previous financial year.

C. The Group cultivates sweet potato plants on land under its control for the production of propagation material used in its arrangements with certain suppliers. In the previous financial years, the standing plants at each reporting date were included within inventories and measured at the lower of cost and net realisable value.

On reassessment, the Group considers that the standing plants fall within the scope of SFRS(I) 1-41 Agriculture and are excluded from the scope of SFRS(I) 1-2 Inventories. Under SFRS(I) 1-41, biological assets are measured at fair value less costs to sell. Accordingly, the standing plants have been reclassified from inventories to biological assets. The changes in fair value of biological assets had been recognised as other gain in consolidated statement of profit or loss and other comprehensive income.

D. Management had identified an error wherein the income tax payable was previously misclassified under "Trade and Other Payables" instead of being presented separately as a statutory liability. This classification was incorrect, as trade payables relate to commercial obligations to suppliers, while tax payable represents a distinct liability owed to tax authorities.

Accordingly, the reclassification has been made from "Trade and Other Payables" to "Income Tax Payable." This is a presentational adjustment only and has no impact on total liabilities, net assets, or profit for the financial year.

E. Management had identified an error wherein fixed deposits with maturity periods exceeding three months were previously included within cash and cash equivalents. Under SFRS(I) 1-7 Statement of Cash Flow, fixed deposits maturing beyond three months do not meet this definition and therefore should not be classified as cash equivalents; instead, they are considered other investments not included in cash equivalents and should be presented as investing activities in the statement of cash flows.

Accordingly, the prior period statement of cash flows has been restated to exclude these fixed deposits from the opening and closing balances of cash and cash equivalents, and to present the corresponding cash outflows under "Cash Flows from Investing Activities" in accordance with SFRS(I) 1-7. This restatement is purely a presentational reclassification and does not affect the net increase or decrease in total cash flows for the period, nor does it have any impact on the balance sheet or profit or loss.

F. In the audited financial results, other gains and losses are now presented on a net basis as a single line item in the statement of profit or loss, whereas they were previously shown on a gross basis. This change in presentation has been made to provide a clearer and more meaningful view of the entity's performance, and the prior period comparatives have been reclassified accordingly. This is purely a presentational reclassification and has no impact on the reported net profit, total comprehensive income, or net assets.

For the avoidance of doubt, there are no material differences between the audited and unaudited consolidated statements of changes in equity.

Shareholders are advised to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

The Board confirms that to the best of its knowledge, all material disclosures, facts and information have been provided and announced and are not aware of any facts, information or disclosures, the omission of which would make any statement in this announcement or disclosures misleading.

By Order of the Board

Liang Chengwang
Executive Chairman and Chief Executive Officer

16 July 2026

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*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 Catalist ("**Catalist Rules**").*

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.

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