ZIXIN GROUP HOLDINGS
紫心集团控股

(formerly known as China Star Food Group)
(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 2022

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 2022 relating to its unaudited financial results for the full financial year ended 31 March 2022 ("**FY2022**") (the "**Unaudited Financial Statements**"). Further reference is made to the audited financial statements of the Company for FY2022 (the "**Audited Financial Statements**") and the report thereon by the Company's independent auditors which is included in the Company's annual report for FY2022 which has been released on the SGXNET on 16 March 2023.

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of the Catalist of the Singapore Exchange Securities Trading Limited, the 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 external auditors.

The material variances between the financial results in the Unaudited Financial Statements and Audited Financial Statements are set out below:

Consolidated Statement of Financial Position

	Group		Variance		
	(Audited) RMB'000	(Unaudited) RMB'000	RMB'000	%	Note
ASSETS					
Non-Current Assets					
Property, plant and equipment	128,327	128,327	–	–	
Intangible assets	37,068	37,068	–	–	
Investment in subsidiaries	–	–	–	–	
Other receivables, non-current	11	11	–	–	
Other assets, non-current	86,821	86,821	–	–	
Deferred tax assets	5,441	8,007	(2,566)	(32.1)	(1)
Total Non-Current Assets	257,668	260,234	(2,566)	(1.0)	
Current Assets					

	Group		Variance		
	(Audited) RMB'000	(Unaudited) RMB'000	RMB'000	%	Note
Inventories	2,439	2,809	(370)	(13.2)	(2)
Trade and other receivables	41,177	41,177	–	–	
Other assets, current	69,838	69,838	–	–	
Cash and bank balances	197,506	197,506	–	–	
Total Current Assets	310,960	311,330	(370)	(0.1)	
Total Assets	571,564	571,564	(2,936)	(0.5)	
EQUITY AND LIABILITIES					
Equity					
Share capital	239,150	239,150	–	–	
Retained earnings/(accumulated losses)	229,910	232,847	(2,937)	(1.3)	
Other reserves	44,944	44,944	–	–	
Total Equity	514,005	516,941	(2,937)	(0.5)	
Current Liabilities					
Trade and other payables	18,534	18,534	–	–	
Income tax payables	129	129	–	–	
Lease liability, current	–	–	–	–	
Other financial liabilities	35,800	35,800	–	–	
Total Current Liabilities	54,463	54,463	–	–	
Total Liabilities	54,623	54,623	–	–	
Total Equity and Liabilities	568,628	571,564	(2,937)	(0.5)	

Notes:

(1) The variance is due to the adjustments made for deferred tax assets in subsidiaries.

(2) The variance is due to the adjustments made for the raw materials in subsidiary.

Consolidated Statement of Comprehensive Income

	Group		Variance		
	(Audited) RMB'000	(Unaudited) RMB'000	RMB'000	%	Note
Revenue	289,132	289,132	–	–	
Cost of sales	(211,521)	(211,151)	(370)	(0.2)	(3)
Gross profit	77,611	77,981	(370)	(0.5)	
Finance income	682	682	–	–	
Other income	459	77	382	N.M.	(4)
Marketing and distribution costs	(37,349)	(37,349)	–	–	

	Group		Variance		
	(Audited) RMB'000	(Unaudited) RMB'000	RMB'000	%	Note
Administrative expenses	(33,511)	(33,129)	(382)	N.M.	(4)
Other losses	(516)	(516)	–	–	
Finance costs	(1,465)	(1,465)	–	–	
Profit/(Loss) before income tax	5,911	6,281	(370)	(5.9)	
Income tax (expense)/credit	(2,259)	307	(2,566)	N.M.	(1)
Profit/(Loss) for the year, net of tax	3,652	6,588	(2,936)	(44.6)	
Other comprehensive income/(loss):					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations	(140)	(140)	–	–	
Total comprehensive income/(loss) for the year	3,512	6,448	(2,936)	(45.5)	

Notes:

(3) The variance is due to the adjustments made for the raw materials in an operating subsidiary of the Group.

(4) The variance is due to the reclassification of reversal of allowance of impairment of trade receivables and other assets from administrative expenses to other income.

For the avoidance of doubt, there are no material differences between the audited and unaudited consolidated statements of cash flows.

By Order of the Board

Liang Chengwang
Executive Chairman and Chief Executive Officer

16 March 2023

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*This announcement has been prepared by the Company and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. ("**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 announcement has not been examined or approved by the SGX-ST and the SGX-ST assume 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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