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**

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 ("1H FY2025")

*This announcement has been prepared by Zixin Group Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") and 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 (the "**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.

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A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Group		
		1H FY2025	1H FY2024	Change
		RMB'000	RMB'000	%
Revenue	**4**	156,686	117,754	33.1
Cost of sales		(104,644)	(82,858)	26.3
Gross profit		52,042	34,896	49.1
Interest income		1,105	615	79.7
Other operating income		326	223	46.2
Other gains		445	–	100.0
Marketing and distribution costs		(13,402)	(15,705)	(14.7)
Administrative expenses[1] [2]		(28,649)	(19,415)	47.6
Other losses		(300)	(1,225)	(75.5)
Finance costs		(1,591)	(1,076)	47.9
Profit/(Loss) before income tax	**5**	9,976	(1,687)	n.m.
Income tax expense	**6**	(2,163)	(1,716)	26.0
Profit/(Loss) for the period, net of tax		7,813	(3,403)	n.m.
Other comprehensive income/(loss):				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations		(234)	948	n.m.
Total comprehensive income/(loss) for the period		7,579	(2,455)	n.m.
Profit/(Loss) for the period, net of tax, attributable to:				
Owners of the Company		7,813	(3,403)	n.m.
Non-controlling interests		–	–	n.m.
Profit/(Loss) for the period		7,813	(3,403)	n.m.
Total comprehensive income/(loss) for the period, attributable to:				
Owners of the Company		7,579	(2,455)	n.m.
Non-controlling interests		–	–	n.m.
Total comprehensive income/(loss) for the period		7,579	(2,455)	n.m.
Earnings per share for profit for the period attributable to the owners of the Company:				
Basic (RMB in cent)	**7**	0.54	(0.25)	n.m.
Diluted (RMB in cent)	**7**	0.49	(0.25)	n.m.

(1) Included in administrative expenses is non-cash expenses, vesting of shares under Zixin PSP of approximately RMB 6.6 million. Refer to Note 5 for more details.

(2) Included in administrative expenses are the one-off Rights Cum Warrants Issue expenses of approximately RMB 1.1 million. Refer to Note 5 for more details.

1H FY2024 – six-month financial period ended 30 September 2024

n.m. - not meaningful

B. Condensed Interim Consolidated Statement of Financial Position

	Note	Group As at		Company As at	
		30-Sep-2024 RMB'000	31-Mar-2024 RMB'000	30-Sep-2024 RMB'000	31-Mar-2024 RMB'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	8	177,035	175,744	–	–
Intangible assets	9	66,548	69,442	–	–
Investment in subsidiaries		–	–	803,636	803,636
Investment in unquoted shares		1,800	900	–	–
Other assets, non-current	10	70,520	91,279	–	–
Other receivables, non-current		1	–	–	–
Total Non-Current Assets		315,904	337,365	803,636	803,636
Current Assets					
Inventories		1,647	2,652	–	–
Trade and other receivables	11	45,370	53,789	113,723	106,238
Other assets, current	10	79,093	62,871	460	450
Cash and bank balances		211,095	156,151	157	7
Total Current Assets		337,205	275,463	114,340	106,695
Total Assets		653,109	612,828	917,976	910,331
EQUITY AND LIABILITIES					
Equity					
Share capital		258,887	239,150	958,310	938,574
Retained earnings/(accumulated losses)		234,417	226,604	(101,132)	(88,692)
Other reserves		47,944	48,178	56,779	54,819
Total Equity		541,248	513,932	913,957	904,701
Non-Current Liabilities					
Other payables, non-current		4,469	6,466	–	–
Lease liability, non-current		34	33	–	–
Total Non-Current Liabilities		4,503	6,499	–	–
Current Liabilities					
Trade and other payables	12	31,993	31,372	4,019	5,630
Income tax payables		286	2,300	–	–
Lease liability, current		229	225	–	–
Other financial liabilities	13	74,850	58,500	–	–
Total Current Liabilities		107,358	92,397	4,019	5,630
Total Liabilities		111,861	98,896	4,019	5,630
Total Equity and Liabilities		653,109	612,828	917,976	910,331

C. Condensed Interim Consolidated Statement of Changes in Equity

Group

	Share Capital RMB'000	Other Reserves RMB'000	Retained Earnings RMB'000	Total Equity RMB'000
Balance at 1 April 2023	239,150	46,156	214,616	499,922
Total comprehensive income/(loss) for the period				
Loss for the period	–	–	(3,403)	(3,403)
Other comprehensive income	–	948	–	948
Total comprehensive income/(loss) for the period	–	948	(3,403)	(2,455)
Balance as at 30 September 2023	239,150	47,104	211,213	497,467
Balance at 1 April 2024	239,150	48,178	226,604	513,932
Total comprehensive income/(loss) for the period				
Profit for the period	–	–	7,813	7,813
Other comprehensive loss	–	(234)	–	(234)
Total comprehensive income/(loss) for the period	–	(234)	7,813	7,579
Changes in equity				
Issuance of new share through the Rights Cum Warrants Issue	13,161	–	–	13,161
Vesting of shares under Zixin PSP	6,576	–	–	6,576
Balance as at 30 September 2024	258,887	47,944	234,417	541,248

Company

	Share Capital RMB'000	Other Reserves RMB'000	Retained Earnings RMB'000	Total Equity RMB'000
Balance at 1 April 2023	938,574	50,970	(364,607)	624,937
Total comprehensive income/(loss) for the period				
Loss for the period	–	–	(3,762)	(3,762)
Other comprehensive income	–	3,632	–	3,632
Total comprehensive income/(loss) for the period	–	3,632	(3,762)	(130)
Balance as at 30 September 2023	938,574	54,602	(368,369)	624,807
Balance at 1 April 2024	938,574	54,819	(88,692)	904,701
Total comprehensive income/(loss) for the period				
Loss for the period	–	–	(12,440)	(12,440)
Other comprehensive income	–	1,959	–	1,959
Total comprehensive income/(loss) for the period	–	1,959	(12,440)	(10,481)
Changes in equity				
Issuance of new share through the Rights Cum Warrants Issue	13,161	–	–	13,161
Vesting of shares under Zixin PSP	6,576	–	–	6,576
Balance as at 30 September 2024	958,311	56,778	(101,132)	913,957

D. Condensed Interim Consolidated Statement of Cash Flow

	Note	Group	
		1H FY2025 RMB'000	1H FY2024 RMB'000
Cash flows from operating activities			
Profit/(Loss) before income tax		9,976	(1,687)
Interest income		(1,105)	(615)
Interest expense		1,591	1,076
Depreciation of property, plant and equipment		6,466	7,704
Amortisation of intangible assets		2,894	2,674
Loss on disposal of property, plant and equipment		–	733
Staff compensation – Performance Share		6,576	–
Exchange differences on translating functional to presentation currency		(234)	948
Operating cash flow before changes in working capital		**26,165**	**10,833**
Inventories		1,005	1,067
Trade and other receivables		8,417	(20,962)
Other assets		4,537	28,383
Trade and other payables		(1,376)	(9,403)
Net cash flows generated from operations		**38,748**	**9,918**
Income tax paid		(4,177)	(1,023)
Net cash flows from operating activities		**34,571**	**8,895**
Cash flows from investing activities			
Purchase of property, plant and equipment	**8**	(7,758)	(14,467)
Upfront payment for supplies of sweet potatoes		–	(50,000)
Additional in investment in unquoted shares		(900)	–
Interest income received		1,105	615
Net cash flows used in investing activities		**(7,553)**	**(63,852)**
Cash flows from financing activities			
Proceeds from issuance of new shares		13,161	–
Proceeds from new borrowings		60,450	44,100
Repayment of borrowings		(44,100)	(44,100)
Lease liability, net		6	–
Interest expense paid		(1,591)	(1,076)
Net cash flows from/(used in) financing activities		**27,926**	**(1,076)**
Net change in cash and cash equivalents		54,944	(56,033)
Cash and cash equivalents at beginning of financial period		156,151	205,496
Cash and cash equivalents at end of financial period		**211,095**	**149,463**

E. Notes to the Condensed Interim Consolidated Financial Statements for 1H FY2025

1. Corporate information

Zixin Group Holdings Limited (the "**Company**") is a limited liability company incorporated in Singapore. The Company is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). These condensed interim consolidated financial statements as at 30 September 2024 and for 1H FY2025 comprise the Company and its subsidiaries (collectively, the "**Group**").

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

The principal activity of the Company is that of an investment holding company. The principal activities of the Company's subsidiaries are disclosed in the Group's annual consolidated financial statements as at 31 March 2024. The Group is a leading sweet potato biotech-focused integrated industrial value chain operator in the People's Republic of China (the "**PRC**" or "**China**"). Through its wholly-owned subsidiaries, the Group leverages on its biotechnology capabilities to strengthen and support its three (3) core business areas: (a) cultivation and supply – (i) research and development of sweet potato varieties, (ii) cultivate sweet potato seedlings, (iii) provide farming solutions and technique, and (iv) fresh sweet potato supply, and (b) product innovation and snacks production – research and development to produce snacks with higher nutritional content, and (c) marketing and distribution – build propriety brands of heathier snacks through targeted marketing campaigns and various distribution platforms (traditional and e-commerce) throughout China.

2. Basis of preparation

The condensed interim consolidated financial statements for 1H FY2025 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("**SFRS(I)**") 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the financial year ended 31 March 2024.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim consolidated financial statements are presented in Chinese Renminbi dollars ("**RMB**"), which is the Company's functional currency, and all values are rounded to the nearest thousand ("**RMB'000**") except when otherwise indicated.

2.1. New and amended standards adopted by the Group

The Group and the Company have adopted the new and revised SFRS(I)s, and interpretations of SFRS(I) that are effective for the annual period beginning on 1 April 2024. The Group did not have to change its accounting policies or make any retrospective adjustments as a result of adopting those standards.

2.2. Use of judgement and estimates

In preparing the condensed interim consolidated financial statement, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the most recently audited consolidated financial statements as at and for the year ended 31 March 2024.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

Not applicable.

The Group only has one operating segment (sweet potatoes related products) and one geographical segment (the PRC). There are no operating segments or reportable segments disclosed as required by SFRS(I)8.

	Group	
	1H FY2025 RMB'000	**1H FY2024 RMB'000**
Revenue:		
Sweet potato processed products	107,241	98,446
Sweet potatoes	48,645	18,745
Sweet potato seedlings	800	–
Sweet potato seedlings (reclassified from other income in 1HFY2024)	–	563
	156,686	117,754
Timing of transfer of goods or service:		
At a point in time	156,686	117,754

5. Profit/(Loss) before income tax

Profit/(Loss) before income tax is stated after charging the administrative expenses following:

	Group	
	1H FY2025 RMB'000	**1H FY2024 RMB'000**
Amortisation of intangible assets	2,894	2,674
Depreciation of property, plant and equipment	6,466	5,641
Research and development expenses	1,761	1,605
Employee benefits expense	4,639	3,761
Seedlings nursery fees	1,015	856
Right Cum Warrants Issue expenses	1,149	–
Employee benefits expenses – Performance Share	6,576	–

6. Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	1H FY2025 RMB'000	**1H FY2024 RMB'000**
Current tax expense:		
Current year	1,619	618
Underprovision in prior financial year	544	1,098
Total income tax expense	2,163	1,716

7. Earnings/(Losses) per share

7.1. Basic earnings per share

The basic earnings/(losses) per share is calculated based on the consolidated earnings/(losses) attributable to equity holders of the Company divided by the weighted average number of shares in issue of 1,449,750,000 (1H FY2024: 1,383,818,000) shares during the financial period.

The following table illustrates the numerators and denominators used to calculate basic earnings/(losses) per share:

	Group	
	1H FY2025 RMB'000	**1H FY2024 RMB'000**
Basic earnings/(losses) per share		
Profit/(Loss), net of tax attributable to owners of the Company	7,813	(3,403)
Weighted average number of ordinary shares in issue ('000)	1,449,750	1,383,818
Basic earnings/(losses) per share (RMB cents)	0.54	(0.25)

7.2. Diluted earnings per share

The calculation of diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effect of all dilutive potential ordinary shares. 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.

The following table illustrates the numerators and denominators used to calculate diluted earnings/(losses) per share:

	Group	
	1H FY2025 RMB'000	**1H FY2024 RMB'000**
Basic earnings/(losses) per share		
Profit/(Loss), net of tax attributable to owners of the Company	7,813	(3,403)
Weighted average number of ordinary shares in issue ('000)	1,604,496	1,383,818
Diluted earnings/(losses) per share (RMB cents)	0.49	(0.25)

8. Property, plant and equipment

During 1H FY2025, the Group acquired assets (mainly plant and machinery and construction work-in-progress) amounting to RMB 7,758,000 (1H FY2023: RMB 14,467,000).

9. Intangible assets

Group:	Right-of-use assets RMB'000	Manufacturing patents RMB'000	Software RMB'000	Favourable supply contracts RMB'000	Total RMB'000
Cost:					
At 1 April 2023, 31 March and 30 September 2024	82,255	2,762	338	12,822	98,177
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 period	2,834	60	–	–	2,894
At 30 September 2024	16,519	1,950	338	10,257	29,064
Accumulated impairment:					
At 1 April 2022, 31 March and 30 September 2024	–	–	–	2,565	2,565
Carrying amount:					
At 31 March 2024	68,570	872	–	–	69,442
At 30 September 2024	65,736	812	–	–	66,548

	Group	
	30-Sep-2024 RMB'000	30-Sep-2023 RMB'000
Amortisation for the period	2,894	2,948
Capitalised in construction work-in-progress	–	(274)
Amortisation of intangible assets recorded in administrative expenses (Note 5)	2,894	2,674

9. Intangible Assets (cont'd)

Right-of-use assets

The right-of-use assets are the land use rights for four parcels of land located in Liancheng County of Fujian Province, the People's Republic of China.

As at 30 September 2024, the land use rights of the Group for two parcels of land with carrying amount of RMB 28,497,000 (31 March 2024: RMB 28,850,000) are mortgaged for bank loans.

In September 2018, Liangcheng Dizhongbao Modern Agriculture Development Co., Ltd ("**Dizhongbao**"), a subsidiary in the Group, entered into Land Use Rights Transfer Agreements (the "**Transfer Agreements**") with 86 farmers, pursuant to which Dizhongbao leased a total of 91 plots of farmland for 15 years as a base for research and development to cultivate new varieties of sweet potatoes and to nurture sweet potato seedlings. Under the terms of the Transfer Agreements, Dizhongbao had made upfront full payments of approximately RMB 7,000,000 to the farmers for 15 years.

In March 2023, Dizhongbao entered into several land use right lease agreements ("**Lease Agreements**") with several contracted suppliers (the "**Co-operatives**") on top of the existing purchase agreement and Transfer Agreements to provide them with a one-off compensation of approximately RMB 40,000,000 in total for the rising cost of land lease in Liancheng County for the remaining period of purchase agreements and Transfer Agreements.

10. Other assets

	Group		Company	
	30-Sep-2024 RMB'000	31-Mar-2024 RMB'000	30-Sep-2024 RMB'000	31-Mar-2024 RMB'000
Upfront payments	15,938	3,752	–	–
Upfront payments for supplies of sweet potatoes (Note A)	115,233	140,089	–	–
Deferred expenses	13,087	4,835	460	450
Others	5,355	5,474	–	–
	149,613	154,150	460	450
Presented in the statements of financial position as:				
Other assets, non-current	70,520	91,279	–	–
Other assets, current	79,093	62,871	460	450
	149,613	154,150	460	450

Note A: Upfront payment for supplies of sweet potatoes

The Group, through one of its subsidiaries, Dizhongbao, entered into various purchase agreements ("**Purchase Agreements**") with a few Co-operatives to secure the supply of quality fresh sweet potatoes at reasonable prices.

The Purchase Agreements entered during the financial years ended 31 March 2018 and 2019 carry similar terms and last for fifteen (15) years and grant Dizhongbao with the first right of refusal to purchase the sweet potatoes grown by the Co-operatives (through their contracted farmers) with the sprouted seedlings provided by the Group. In return, Dizhongbao makes prepayments to the Co-operatives every five years. The prepayments are used to offset the purchase made during the five-year period. Where the prepayments are fully utilised within the five (5) years, the payment of subsequent purchases are made in accordance with the agreed terms of each respective contract. Where the prepayments are not fully utilized within the five (5) years, the balance will be carried forward until it is fully utilized before the next prepayment is made.

11. Trade and other receivables

	Group		Company	
	30-Sep-2024 RMB'000	31-Mar-2024 RMB'000	30-Sep-2024 RMB'000	31-Mar-2024 RMB'000
Trade receivables:				
Outside parties	44,322	53,022	–	–
Less: Allowance for impairment loss on receivables	(278)	(278)	–	–
	44,044	52,744	–	–
Other receivables:				
Outside parties	1,324	1,043	–	–
Subsidiaries	–	–	107,695	102,941
Refundable deposits	2	2	2	2
	1,326	1,055	107,697	102,943
Total trade and other receivables	45,370	21,945	107,697	102,943

12. Trade and other payables

	Group		Company	
	30-Sep-2024 RMB'000	31-Mar-2024 RMB'000	30-Sep-2024 RMB'000	31-Mar-2024 RMB'000
Trade payables:				
Outside parties	24,932	24,245	–	–
Other payables:				
Outside parties	7,061	12,562	2,990	3,594
Subsidiaries	–	–	1,029	1,005
Director/shareholder	–	1,031	–	1,031
		13,593	4,019	5,630
Total trade and other payables	31,993	37,838	4,019	5,630

13. Other financial liabilities

	Group	
	30-Sep-2024 RMB'000	31-Mar-2024 RMB'000
Bank loans A (unsecured) (Note 13.1)	13,850	14,500
Bank loans B (secured) (Note 13.2)	61,000	44,000
	74,850	58,500

13.1. Bank loans A (unsecured)

The bank loans are repayable within 12 months and renewable annually. The bank loans' fixed interest rates were 4.00% - 5.50% (31 March 2024: 3.95% - 5.50%) per annum respectively and are repayable within 12 months.

The bank loans are unsecured and guaranteed separately by a local credit guarantee company, and one of the Company's directors and his spouse

13.2. Bank loans B (secured)

The loans are secured by mortgages of a leasehold building and land use rights of the Group. The bank loans' bear fixed interest rate were 3.20% - 4.00% (31 March 2024: 3.21% - 4.00%) per annum and are repayable within 12 months.

A summary of the Group's borrowings and debt securities is as follows:

	As at 30-Sep-2024		As at 31-Mar-2024	
	Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
Amount repayable in one year or less, or on demand	61,000	13,850	44,000	14,500
Amount repayable after one year	–	–	–	–
Total borrowings	61,000	13,850	44,000	14,500

14. Financial assets and financial liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded as at 30 September 2024 and 31 March 2024:

	Group		Company	
	30-Sep-2024 RMB'000	31-Mar-2024 RMB'000	30-Sep-2024 RMB'000	31-Mar-2024 RMB'000
Financial assets:				
At amortised cost:-				
Cash and cash equivalents	211,095	156,151	157	7
Trade and other receivables	45,370	53,789	113,723	106,238
	256,465	209,940	113,880	106,245
Financial liabilities:				
At amortised cost:-				
Trade and other payables	36,463	37,838	4,019	5,630
Other financial liabilities	74,850	58,500	–	–
	111,313	96,338	4,019	5,630

15. Subsequent events

There are no known subsequent events from 1 October 2024 to the date of this announcement, which led to adjustments to this set of condensed interim consolidated financial statements.

Other Information Required pursuant to Listing Rule Appendix 7C for 1H FY2024

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

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.

The Company has issued and allotted 144,481,810 Rights Shares and 577,927,240 Warrants to successful subscribers on 21 June 2024 and 24 June 2024 respectively pursuant to the Rights Cum Warrants Issue completed on 24 June 2024 ("Rights Cum Warrants Issue").

	Company	
	Number of Shares Issued	**Share Capital RMB '000**
Ordinary shares of no par value:		
At 1 Apr 2024	1,383,818,100	938,574
Vesting of shares under Zixin PSP	61,000,000	6,576
Issuance of new shares through the Rights Cum Warrants Issue	144,481,810	13,161
At 30 Sep 2024	1,589,299,910	958,311

As at 30 September 2024, the Company has 577,927,240 outstanding warrants which are convertible to 577,927,240 ordinary shares. The warrants may be converted to ordinary shares during the period up to 23 June 2026 at an exercise price of S$0.045 per warrant share.

	Company			
	30-Sep-2024		**30-Sep-2023**	
	Number of Shares Issued	**%**	**Number of Shares Issued**	**%**
Issued and paid ordinary share	1,589,299,910	73.3	1,383,818,100	100.0
Warrants Share	577,927,240	26.7	–	N.A.
At 30 Sep	2,167,227,150	100.0	1,383,818,100	100.0

The percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding is nil% as at 30 September 2024 and 30 September 2023.

The Company's subsidiaries do not hold any shares in the Company as at 30 September 2024 and 30 September 2023.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	As at 30-Sep-2024	**As at 31-Mar-2024**
Ordinary shares	1,589,299,910	1,383,818,100
Warrant shares	577,927,240	–
Total number of issued	2,167,227,150	1,383,818,100

The Company did not have any treasury shares as at 30 September 2024 and 31 March 2024.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable, as the Company did not have any treasury shares during and as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable, as the Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the Company's auditor.

3. Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of a matter)

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue.
(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is material uncertainty relating to going concern.

(a) Not applicable.

(b) Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except as disclosed in paragraph 5 below, the accounting policies and methods of computation adopted in the financial statements for the current reporting period are consistent with those in the most recently audited consolidated financial statements for the financial year ended 31 March 2024 as set out in the Company's annual report.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted all the applicable new and revised Financial Reporting Standards ("**FRS**") in Singapore and the related Interpretations to FRS ("**INT FRS**") that are relevant to its operation and effective for the accounting periods beginning on or after 1 April 2024. The adoption of these new and revised FRS did not result in any substantial change to the Group's and the Company's accounting policies and has no significant impact on the financial statements for the current financial reporting period.

6. Earnings per ordinary share of the Group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends
(a) based on the weighted average number of ordinary shares in issue; and
(b) on a fully diluted basis (detailing any adjustments made to the earnings).

Please refer to paragraph E7 above.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the
(a) Current period reported on; and
(b) Immediately preceding financial year

Net asset value ("NAV")	Group		Company	
	30-Sep-2024	31-Mar-2024	30-Sep-2024	31-Mar-2024
NAV (RMB'000)	541,248	513,932	913,957	904,701
Number of ordinary shares in issue (in thousands)	1,589,300	1,383,818	1,589,300	1,383,818
NAV per ordinary share (RMB)	0.39	0.37	0.58	0.65

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

Consolidated Statement of Comprehensive Income

Revenue

The Group's revenue for the six months ended 30 September 2024 ("**1H FY2025**") recorded an increase of approximately RMB 38.9 million or 33.1% to RMB 156.7 million, up from RMB 117.8 million in the six months ended 30 September 2023 ("**1H FY2024**").

Revenue contributed from the sales of sweet potato seedlings previously classified under Other Income in 1H FY2024 has been reclassified under the Group's revenue. The Group's revenue growth was primarily attributed to higher the sales of fresh sweet potato and sweet potato processed products which increased approximately RMB 29.9 million and RMB 8.8 million respectively.

The main reason for the increase in revenue from sales of fresh sweet potato is that the Group is able to preserve the freshness and extend the shelf life of the fresh sweet potatoes by utilising the outsourced support services of washing, sorting, and cold storage provided by the smart warehouse. This has led to reduction in spoilage and an increase in the quantity of fresh sweet potato available for new sales channels such as supermarkets and e-commerce platforms.

Gross Profit and Gross Profit Margin

Gross profit increased by approximately RMB 17.1 million or 49.1% from RMB 34.9 million in 1H FY2024 to RMB 52.0 million in 1H FY2025. The increase in gross profit was mainly due to the increase in revenue from the sale of fresh sweet potato recorded in 1H FY2025 as compared to 1H FY2024. Correspondingly, the Group's gross profit margin increased from approximately 29.6% in 1H FY2024 to 33.2% in 1H FY2025 on the back of better efficiency through the outsourced service of the smart warehouse which could maximize the value of the sweet potatoes.

Interest Income

Interest income increased by approximately RMB 0.5 million or 79.7% from RMB 0.6 million in 1H FY2024 to RMB 1.1 million in 1H FY2025. This was mainly due to higher interest rates on bank deposits.

Other Operating Income

Other operating income increased by approximately RMB 103,000 or 45.7% from RMB 223,000 in 1H FY2024 to RMB 326,000 in 1H FY2025. The increase was mainly due to the subsidies received from e-commerce platform and royalty payments received through a licensing agreement.

Other Gains

Other gains increased by approximately RMB 0.5 million in 1H FY2025 as compared to 1H FY2024. The other gains mainly represented the government incentive received from local tax authorities.

Marketing and Distribution Costs

Marketing and distribution costs decreased by approximately RMB 2.3 million or 14.7% from RMB 15.7 million in 1H FY2024 to RMB 13.4 million in 1H FY2025. The decrease was primarily attributed to a decrease in operating expenses by RMB 2.7 million, advertisement expenses by RMB 0.4 million, employee benefit expenses by RMB 0.4 million and travelling expenses by RMB 0.1 million. The decrease was partially offset by publicity expenses and delivery charges, which increased by RMB 0.8 million and RMB 0.4 million, respectively.

Administrative Expenses

Administrative expenses increased by approximately RMB 9.2 million or 47.6% from RMB 19.4 million in the 1H FY2024 to RMB 28.6 million in the 1H FY2025. The increase was mainly due to grant of share awards to senior management under Zixin Performance Share Plan amounting to approximately RMB 6.6 million, amortisation of intangible assets of approximately RMB 0.3 million, legal and professional fees approximately RMB 0.6 million and listing and services fees of approximately RMB 0.3 million and one-off Rights Cum Warrants Issue expenses of approximately RMB 1.1 million in June 2024. The increase was partially offset by a decrease of approximately RMB 0.3 million in audit fees, depreciation expenses of RMB 0.2 million, entertainment expenses of approximately RMB 0.2 million and travelling expenses by approximately RMB 0.2 million.

Other Losses

Other losses decreased by approximately RMB 0.9 million or 75.5% from RMB 1.2 million in 1H FY2024 to RMB 0.3 million in 1H FY2025. This was due to lower sponsorship of events in Liancheng County.

Finance Costs

Finance costs increased by approximately RMB 0.5 million or 47.9% to RMB 1.6 million in 1H FY2025 as compared to RMB 1.1 million in 1H FY2024. The increase was due mainly to the increase in lending rates charged by the bank on the borrowings in 1H FY2025.

Income Tax Expense

Income tax expense was approximately RMB 2.2 million in 1H FY2025. This was primarily attributed to under provision of prior year income tax expenses of approximately RMB 0.5 million and higher income tax expenses of approximately RMB 1.6 million due to higher profits generated in 1H FY2025.

Profit/(Loss) For The Period, Net of Tax

Profit/(loss) for the period, net of tax increased by approximately RMB 11.2 million from loss for the period in 1H FY2024 of approximately RMB 3.4 million as compared to RMB 7.8 million in 1H FY2025. In 1H FY2025, it had included the employee benefit expenses – performance share of approximately RMB 6.6 million and one-off expenses, Right Cum Warrants Issue expenses amounting to RMB 1.1 million.

Consolidated Statement of Financial Position

The comparative performance for both the assets and liabilities are based on the Group's financial statements as at 30 September 2024 and 31 March 2024.

Non-current Assets

There was a decrease in the Group's total non-current assets of approximately RMB 21.5 million or 6.4%, from RMB 337.4 million as at 31 March 2024 to RMB 315.9 million as at 30 September 2024. This was mainly due to the decrease in other assets (non-current), and intangible assets and offset against an increase in property, plant and equipment and investment of unquoted shares.

The decrease in other assets (non-current) from approximately RMB 91.3 million as at 31 March 2024 to approximately RMB 70.5 million as at 30 September 2024 comprising mainly advance payments to suppliers for the long-term supply contracts of fresh sweet potatoes. The decrease was mainly due to the utilisation of upfront payment of supplies of fresh sweet potatoes.

Intangible assets decreased by approximately RMB 2.9 million or 4.2%, from RMB 69.4 million as at 31 March 2024 to RMB 66.5 million as at 30 September 2024. This was mainly due to the amortisation of expenses recorded in 1H FY2025.

Plant, property and equipment ("**PPE**") increased by approximately RMB 1.3 million or 0.7% from RMB 175.7 million as at 31 March 2024 to RMB 177.0 million as at 30 September 2024. This was due to the net increase in plant and machinery and renovations and offset against depreciation expense recorded on PPE in 1H FY2025.

Current Assets

Inventories decreased by approximately RMB 1.0 million or 37.9% from RMB 2.7 million as at 31 March 2024 to RMB 1.6 million as at 30 September 2024. The decrease was mainly due to higher utilisation of inventories during 1H FY2025 as compared to 1H FY2024.

Trade and other receivables decreased by approximately RMB 8.4 million or 15.7% from RMB 53.8 million as at 31 March 2024 to RMB 45.4 million as at 30 September 2024. The decrease was mainly due to the faster collections of trade receivables.

Other assets (current) increased by approximately RMB 16.2 million or 25.8% from RMB 62.9 million as at 31 March 2024 to RMB 79.1 million as at 30 September 2024. This was mainly due to the increase in upfront payment to the Group's suppliers of fresh sweet potatoes, professional service providers, prepayments and deferred expenses.

Cash and bank balances increased by approximately RMB 54.9 million or 35.2% as a result of the increase in cash flow from operating and financing activities and a decrease in net cash flow from investing activities in 1H FY2025 as compared to 1H FY2024. Please refer to the "Consolidated Statement of Cash Flows" section below for more details on the change in cash and cash equivalents of the Group.

As a result of the above, the Group's total current assets increased by approximately RMB 61.7 million or 22.4% from RMB 275.5 million as at 31 March 2024 to RMB 337.2 million as at 30 September 2024.

Current Liabilities

Trade and other payables increased by approximately RMB 0.6 million or 2.0% from RMB 31.4 million as at 31 March 2024 to RMB 32.0 million as at 30 September 2024. This was mainly due to the absence of land lease and offset against increase in trade payables as at 30 September 2023 as compared to 31 March 2024.

Income tax payables decreased by approximately RMB 2.0 million or 87.6% from RMB 2.3 million as at 31 March 2024 to RMB 0.3 million as at 30 September 2024. The decreased in income tax payables mainly due to the increased in income tax paid to the local tax authorities.

Other financial liabilities increased by approximately RMB 16.4 million or 27.9% from RMB 58.5 million as at 31 March 2024 to RMB 74.9 million as at 30 September 2024. The increased in other financial liabilities mainly due to the increased in short-term loan from financial institutions.

Consolidated Statement of Cash Flows

The Group recorded net cash from operating activities of approximately RMB 34.6 million in 1H FY2025. In 1H FY2025, the net cash from operating activities comprised mainly the positive operating cash flow before changes in working capital of approximately RMB 26.2 million, adjusted by net working capital outflow of RMB 8.4 million. The working capital outflow represented the cash flow generated from inventories of RMB 1.0 million, trade and other receivables of RMB 8.4 million, other assets of RMB 4.5 million and offset against cash flow used in trade and other payables of RMB 1.3 million and income tax paid of RMB 4.2 million.

Net cash used in investing activities amounted to approximately RMB 7.5 million in 1H FY2025.The cash flow used in investing activities was mainly due to renovation expenses and acquisition of plant and machinery of approximately RMB 7.8 million and additional in investment in unquoted shares of RMB 0.9 million. The amount was offset against interest income received of RMB 1.1 million.

Net cash from financing activities was approximately RMB 27.9 million in 1H FY2025. This was mainly due to proceeds from issuance of new shares pursuant to the Rights Cum Warrants Issue and additional short-term borrowings in 1H FY2025.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable, as no specific forecast or prospect statement was previously provided.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group is making good progress on its integrated circular economy industrial value chain model that is supported by the strategic complementary third-party businesses of smart warehouse and upstream animal feed manufacturing to achieve better efficiency.

Outsourced processing services from the smart warehouse for automated sweet potato washing, sorting, and cold storage to extend shelf life contributed to an increase in revenue from fresh sweet potato sales in 1H FY2025. These services will continue to improve the Group's front-end operational efficiency and reduce sweet potato spoilage, potentially increasing volume and sales channels such as supermarkets and e-commerce platforms for fresh produce, resulting in higher sales revenue.

The harvesting season for sweet potatoes in Liancheng County begins from late September to early January, and the collection of the agricultural waste, such as spoiled sweet potatoes from the smart warehouse, sweet potato peels from the snack manufacturing factory, and sweet potato stems and leaves from the harvested fields, is currently ongoing.

The Group's proprietary probiotic fermentation formulation is necessary for the fermentation process, which will entail the conversion of sweet potato agricultural waste into base feed ingredients. This process is essential prior to the production of poultry and animal feed ingredients, which will also be outsourced to the upstream animal feed manufacturer, who is currently waiting for the license to commence production for the Group’s specific poultry feed formulation. The Group plans to begin the production and sale of probiotic-infused poultry feed ingredients made from fermented sweet potato agricultural waste to the feed manufacturers in the fourth quarter of FY2025.

The Group intends to complete the installation of equipment and machinery for its planned expansion into high-tech manufacturing by the third quarter of FY2025 (i.e. 31 December 2024), after which it will commence production with the goal of increasing sales of higher margin processed products from the fourth quarter of FY2025.

The Group remains committed to the potential replication of its biotech-focused sweet potato integrated circular economy industrial value chain from Liancheng County, Fujian Province, to other parts of China, including the rural revitalisation project in Lingao County, Hainan Province. Currently, 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 Group believes that the Chinese government’s quest for food security (1) bodes well for its future prospects. The Group will update shareholders on any material developments as and when they arise.

11. Dividend

If decision regarding dividend has been made:

(a) Whether an interim (final) dividend has been declared (recommended); and

No.

(b) Previous corresponding period

No.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived.

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect and reason(s) for the decision.

No dividend has been declared for 1H 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 its renovations and installation of plants and machinery in the new factory building.

The board of directors of the Company (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.

13. If the group has obtained a general mandate from shareholders for interested person transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company has not obtained an IPT mandate pursuant to Rule 920(1)(a)(ii) of the Listing Manual Section B: Rules of Catalist of the SGX-ST. There was no IPT of S$100,000 and above (or equivalent) for the current financial period reported on.

14. Use of proceeds

The status on the use of the net cash proceeds of S$11.9 million ("**Placement Net Cash Proceeds FY2022**") raised from the Company's placement exercise completed on 19 November 2021 (the "**FY2022 Placement**") is as follows:

Intended Use of the Placement Net Cash Proceeds	**Balance brought forward from 25 October 2024 S$'000**	**Amount utilised as of the cut-off at 5 November 2024 S$'000**	**Balance S$'000**
Renovation expenses, and acquisition of equipment and machinery for Fujian Zixin's new manufacturing facilities	1,840	–	1,840

The status on the use of the net cash proceeds of S$2.1 million ("**Rights Net Cash Proceeds FY2025**") raised from the Company's rights cum warrants issue exercise completed on 24 June 2024 (the "**FY2022 Placement**") is as follows:

Intended Use of the Rights Net Cash Proceeds	**Balance brought forward from 25 October 2024 S$'000**	**Amount utilised as of the cut-off at 5 November 2024 S$'000**	**Balance S$'000**
Expansion of the Group's business and operations in the People's Republic of China	1,262	–	1,262

15. Negative confirmation pursuant to Rule 705(5).

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of their knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for 1H FY2025 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Liang Chengwang
Executive Chairman and
Chief Executive Officer

Lawrence Chen
Lead Independent Director

16. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that it has procured undertakings from all its Directors and Executive Officers in accordance with Rule 720(1) of the Catalist Listing Rules.

By Order of the Board
Zixin Group Holdings Limited

LIANG CHENGWANG
Executive Chairman and Chief Executive Officer

13 November 2024