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**

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 Zixin Group and the Institute of Resource Environment and Soil Fertilisation, Fujian Academy of Agricultural Sciences, which aims to address sweet potato agricultural waste
- The Group anticipates producing and selling its probiotic-infused fermented sweet potato feedstock to animal feed manufacturers from 4Q FY2025
  - benefit from China's national directives, which aim to (i) effectively maintain the safety of husbandry production and animal-derived food for safety, public health security, and biosecurity, and (ii) explore alternative feedstock to reduce the proportion of soymeal in animal feed to less than 13%, by the end of 2025

For Immediate Release

SINGAPORE, 26 December 2024 – SGX Catalist-listed **Zixin Group Holdings Limited** 紫心集团控股 ("**Zixin**" or the "**Company**" and together with its subsidiaries, "**Zixin Group**"), a leading biotech-focused sweet potato integrated industrial value chain operator, wishes to update its shareholders and potential investors that the Institute of Resource Environment and Soil Fertilisation, Fujian Academy of Agricultural Sciences 福建省农业科学院资源环境与土壤肥料研究所, a long-term research and development ("**R&D**") collaborator with Zixin Group, has on 17 December 2024 transferred a patented chicken poultry feed formulation to Zixin Group.

The patented chicken poultry feed formulation is one of several R&D collaborations between the research institute and Zixin Group, with the primary purpose of managing the increasing volume of sweet potato agricultural waste as the Group's productivity grows over the years. One of the contents for this patented chicken poultry feed formulation is the probiotic-infused fermented sweet potato feedstock, which uses the sweet potato agricultural waste generated by Zixin Group's business activities.

Zixin Group generated 748.8 tonnes of sweet potato peels for its snack food processing business activity in FY2024, an increase of 11.2% from 673.1 tonnes in FY2023. Previously, the Group had to pay to dispose of the sweet potato peels, which are part of the sweet potato agricultural waste, to the local refuse collection points and animal farms in Liancheng County, China.

The R&D process for the feed formulation involves enhancing the efficacy of probiotic-infused sweet potato feedstock, evaluating the nutritional content of poultry feed, and conducting feed trials on chickens to compare the effects of various diets on their growth and health, as well as assessing the animal-derived food's nutritional value and safety for human consumption.

Commenting on the ownership of the patented chicken poultry feed formulation, Mr. Liang Chengwang (梁承旺), Executive Chairman and Chief Executive Officer of Zixin Group, said, "**As we pave the way in building our sweet potato ecosystem, we have been constantly exploring solutions to address conventional concerns in the agriculture industry, lowering operational risks, and improving financial performance for everyone across the industrial value chain.**

We are delighted that our years of R&D collaboration with the researchers at the Fujian Academy of Agricultural Sciences have not only utilised our proprietary probiotic fermentation formulation as a medium to convert agricultural waste materials, such as sweet potatoes that did not meet food processing requirements, sweet potato peels, stems, and leaves, into feedstock for poultry and farm animal feeds, but they have also taken time and effort to perfect this chicken poultry feed formulation. Amid the harvesting season, we produced and sold small quantities of our probiotic-infused fermented sweet potato feedstock to selected feed producer and poultry farms to conduct feeding trials. The R&D team has achieved encouraging results from the feeding trials with the local chicken poultry farms.

With this breakthrough, Zixin Group is able to transform our agricultural waste into probiotic-infused fermented sweet potato feedstock, which feed manufacturers then use to produce chicken poultry feed. While sweet potato agricultural waste has been a traditional feedstock for poultry and farm animals, this poultry feed has the potential to increase the survival rate of chickens, eliminate residues of veterinary antibacterial drugs, and ultimately make the chicken meat safe for human consumption. We are currently waiting for the analysis report on this patented chicken poultry feed formulation, which was developed based on the recent feeding trials.

We are on schedule to begin commercial production and sale of probiotic-infused fermented sweet potato feedstock to licensed feed manufacturers as well as poultry farms. This will generate revenue and earnings for the Group starting in 4Q FY2025 (or January 2025). We are confident that our efforts to resolve our agricultural waste will also assist other sweet potato farmers in resolving similar issues. Additionally, feed manufacturers will have the opportunity to incorporate

our patented chicken poultry feed formulation into their product offerings, which we believe will be beneficial to a variety of parties, including farm owners."

Currently, Zixin Group outsources the collection of its agricultural waste to the designated agricultural waste collector, who also assists fellow sweet potato producers and food processing factories in Liancheng County in the collection and disposal of agricultural waste. Zixin Group will be able to procure a consistent supply of sweet potato agricultural waste in Liancheng County through this third-party waste collector when production of the probiotic-infused sweet potato feedstock commences.

BENEFICIARY OF CHINA'S NATIONAL DIRECTIVES

The Ministry of Agriculture and Rural Affairs of the People's Republic of China ("**MARA**") has disclosed its intentions to (i) effectively ensure the safety of animal-derived food and husbandry production for the purposes of public health security, biosecurity, and food safety, and (ii) explore alternative feedstocks to reduce the proportion of soymeal in animal feed to less than 13%. MARA intends to have these two directives implemented by the end of 2025.

Announced in December 2021, the directive aims to reduce the use of veterinary antimicrobials, mandating over 50% of large-scale farms to establish and implement a "standardised use of veterinary medicines' commitment system" by the end of 2025. Farm owners of livestock and poultry breeds must maintain the qualified rate of veterinary drug residues in meat, eggs, milk, and other livestock and poultry products at more than 98% through monitoring and sampling. Additionally, it is crucial to effectively curb the bacterial drug resistance of animal origin.

(Reference: 农业农村部关于印发《全国兽用抗菌药使用减量化行动方案（2021—2025 年）》的通知 http://www.moa.gov.cn/nybgb/2021/202111/202112/t20211221_6385233.htm)

In April 2023, MARA released an update on a three-year action plan to reduce the use of soymeal in animal feed in a bid to lower its heavy reliance on soybean imports. The measures include exploring alternative protein feedstock and reducing the soymeal ratios in animal feed formulations, with a new target to reduce the proportion from 14.5% in 2022 to less than 13% by 2025.

(Reference: Food security drives China to cut soymeal use in animal feed https://www.reuters.com/world/china/food-security-drives-china-cut-soymeal-use-animal-feed-2023-04-14/)

Mr. Liang adds, "**Our strategic collaboration with the R&D team will continue to extend the use of probiotic-infused fermented sweet potato feedstock into other poultry and farm animal feed formulations. We hope our breakthroughs expand the uses of sweet potato agricultural waste and pave the way for healthier poultry and farm animals and safer meat sources for everyone in the future.**"

Zixin Group does not expect contributions from the sale of probiotic-infused fermented sweet potato feedstock to have a material impact on its financial results for the financial year ending 31 March 2025. The Company will update shareholders on material developments for the Group as and when they arise.

Cautionary Note:

Shareholders and potential investors are advised to exercise caution when dealing with 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 before trading in or making any investment decision regarding the Company's shares.

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(Stock code – SGX: **42W** | Bloomberg: **ZXGH SP** | Reuters: **42W.SI**)

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) research and development on sweet potato varieties to cultivate sweet potato seedlings, (ii) sweet potato cultivation techniques and solutions to improve the quality and yield for farmlands, (iii) sweet potato seedlings nursery base, and (iv) fresh sweet potatoes supply, **(b) product innovation and food production** – innovation of snack food and functional food, as well as production techniques to maximise nutrient retention and produce healthier proprietary branded products, **(c) brand building, marketing and distribution channel building** – strengthen market awareness and position of proprietary brands of healthier snack food and functional food through targeted marketing campaigns and various distribution platforms (traditional and e-commerce) throughout China, and **(d) 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 spoiled sweet potatoes, sweet potato peels, stems and leaves into raw ingredients that could potentially be part of the poultry and animal feeds.

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.

Please visit the Company's website at www.zixingroup.com.sg for more information.

Issued for and on behalf of **ZIXIN GROUP HOLDINGS LIMITED** by:

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*This media release 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 (the "**Sponsor**") in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**").*

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

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