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 posts RMB 16.1 million in net profit for 1H FY26

- Zixin Group's integrated circular economy industrial value chain model demonstrated resilience, managing supply fluctuations within the sweet potato industry in 1H FY26
- Zixin Group's expansion plans are on track to drive the Group's organic growth for FY26

KEY FINANCIAL HIGHLIGHTS:

FYE 31 March (RMB'mil)	**1H FY26** (unaudited)	**1H FY25** (unaudited)	**YoY Change** (%)	**FY25** (audited)
Revenue	**220.63**	**156.69**	+ 40.8	**424.68**
Gross profit	66.60	52.04	+ 28.0	144.38
Gross margin	30.2%	33.2%	(3.0) pp	34.0%
Profit before tax	**24.72**	**9.98**	+ 147.8	**55.10**
Profit after tax(1)	**16.06**	**7.81**	+ 105.5	**42.72**
EPS(2) (RMB cent)	**1.01**	**0.54**	+ 87.0	**2.75**

Notes:

* 1H denotes six months ended 30 September; pp denotes percentage points; N.M. denotes not meaningful.

(1) Profit after tax attributable to owners of the Company.

(2) Earnings per share ("**EPS**") were computed based on basic weighted average number of approximately 1.59 billion shares for 1H FY26, 1.45 billion shares for 1H FY25, and 1.55 billion shares for FY25.

FOR IMMEDIATE RELEASE

SINGAPORE, 14 November 2025 – 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, reported a doubling of its net profit for the six months ended 30 September 2025 ("**1H FY26**"), reaching RMB 16.1 million, up from RMB 7.8 million in 1H FY25. This growth was driven by a 40.8% year-on-year increase in revenue, which rose from RMB 156.7 million in 1H FY25 to RMB 220.6 million in 1H FY26. The increase in both revenue and net profit can be attributed to enhanced performance across the reportable business segments, following the Group's completion of its integrated circular economy for the sweet potato industrial value chain in early 2025 through the strategic collaboration with a third-party fermentation plant operator and securing orders for feedstock derived from sweet potato agricultural waste for poultry feed.

Commenting on the financial performance for 1H FY26, Mr. Liang Chengwang (梁承旺), Executive Chairman and Chief Executive Officer of Zixin Group, said, "**We continue to experience an upward trend in the average wholesale price of fresh sweet potatoes in 1H FY26. The average wholesale price of fresh sweet potatoes in China ranges from US$ 0.32 to 0.74** (equivalent to RMB 2.28 to 5.27) **per kilogram in**

2025, an increase from the range of US$ 0.35 to 0.67 (equivalent to RMB 2.51 to 4.81) **per kilogram in 2024, while the average retail price remained relatively stable at between US$ 0.46 and 1.06** (equivalent to RMB 3.28 to 7.55) **per kilogram**[(1)]**.**

(Source: (1) https://www.selinawamucii.com/insights/prices/china/sweet-potatoes/, https://dir.tridge.com/prices/fresh-sweet-potato, https://dir.tridge.com/prices/fresh-sweet-potato/CN)

In anticipation of the supply requirements for fresh sweet potatoes at our manufacturing facilities for 1H FY26, we have made advance payments to short-term suppliers in 2H FY25. This complements our regular key suppliers from the contractual farmlands, thereby ensuring a secure supply of fresh sweet potatoes for the production of processed sweet potato products. We sold our premium-quality fresh sweet potatoes from our contractual farmlands at relatively higher price in 1H FY26 in line with the upward trend in the average wholesale price of fresh sweet potatoes through our distribution network, while we used the additional supplies of fresh sweet potatoes to drive growth in our processed sweet potato manufacturing, which remains our primary source of revenue.

We believe that our ongoing investment in biotech R&D capabilities, aimed at creating new sweet potato varieties, cultivation techniques and solutions, high-tech food production methods, consumer snack products, convenient and functional foods, as well as probiotic solutions for fermentation of sweet potato agricultural waste, are essential for the sustainable growth of Zixin Group.

Our integrated circular economy industrial value chain model has demonstrated resilience, particularly in managing supply and price fluctuations within the sweet potato industry."

FINANCIAL REVIEW

Zixin Group recorded an overall increase in revenue across all reportable business segments by 40.8% year-on-year, from RMB 156.7 million in 1H FY25 to RMB 220.6 million in 1H FY26.

REVENUE ANALYSIS BY REPORTABLE BUSINESS SEGMENTS AND PRODUCTS

FYE 31 March (RMB 'mil)	**1H FY26** (unaudited)	**1H FY25** (unaudited)	**Variance** (%)	**FY25** (audited)
Cultivation & Supply ("C&S")				
Fresh sweet potatoes	56.74	48.65	+ 16.6	99.99
Sweet potato seedlings	4.79	0.80	+ 498.8	1.22
Product Innovation & Food Production ("PIFP")				
Sweet potato processed products	157.02	107.24	+ 46.4	323.03
Recovery & Recycling ("R&R")				
Fermented sweet potato feedstock	2.06	-	N.M.	0.45
Others	0.02	-	N.M.	-
Group total	**220.63**	**156.69**	**+ 40.8**	**424.68**

Notes:

(1) N.M. denotes not meaningful.

(2) Others refers to investment holdings expenses, provision of management, treasury, and administrative services.

Revenue generated by the C&S segment was primarily driven by an increase in the production and sale of sweet potato seedlings and fresh sweet potatoes, which accounted for approximately 2.2% and 25.7% of total revenue, respectively. The notable rise in revenue from sweet potato seedlings resulted from the expansion of the seedling nursery from 100 mu to 200 mu, leading to higher volume and sales to external parties during the planting season from March to July 2025. In Liancheng County, the harvest of fresh sweet potatoes typically begins in late August and continues until early February the following year. In addition, the outsourced services provided by the smart warehouse, which include automated sweet potato washing, sorting, packing, and cold storage, helps extend the shelf life of fresh sweet potatoes produced by the Group's own contracted farmers as well as procured from other sources and enhances the Group's ability to meet the market demand. Together with the higher average wholesale price for fresh sweet potatoes in 1H FY26, the revenue from fresh sweet potatoes registered a 16.6% year-on-year increase from RMB 48.6 million in 1H FY25 to RMB 56.7 million in 1H FY26.

Revenue from the PIFP segment, namely sales of sweet potato processed products, accounted for 71.2% of total revenue in 1H FY26. This represents a 46.4% year-on-year increase from RMB 107.2 million in 1H FY25 to RMB 157.0 million in 1H FY26. The growth can be attributed to higher volume of sweet potato processed products, including the newly launched sweet potato crisps and fries, and partially contributed by an increase in capacity expansion at the high-tech manufacturing facility and production line modification.

Revenue from the R&R segment amounted to RMB 2.1 million in 1H FY26, generated from secured orders for the production and sale of probiotic-infused fermented sweet potato feedstock, which is derived from agricultural waste. This revenue stream started in the fourth quarter of FY25.

Zixin Group's gross profit rose by 28.0% year-on-year, increasing from RMB 52.0 million in 1H FY25 to RMB 66.6 million in 1H FY26, primarily due to an increase in overall sales. However, the composite gross margin declined from 33.2% in 1H FY25 to 30.2% in 1H FY26. This decrease was attributed to higher raw material costs stemming from an increase in the average wholesale price of fresh sweet potatoes, as well as higher overheads associated with new machinery and equipment additions at the high-tech manufacturing facility, which has not yet been fully utilised.

Zixin Group reported a net profit after tax of RMB 16.1 million in 1H FY26, which represents a 105.5% year-on-year increase from RMB 7.8 million in 1H FY25, after accounting for operating, finance, and income tax expenses. This improvement can be attributed to the significant increase in revenue from all business segments and the absence of non-cash and one-off expenses amounting to RMB 7.7 million incurred in 1H FY25. This was partially offset by an increase in administrative expenses, notably in research and development expenses, which increased by RMB 5.3 million, and depreciation expenses, which increased by RMB 3.2 million. Additionally, the Group incurred a higher income tax expense of RMB 8.7 million as a result of higher profits in 1H FY26.

FINANCIAL POSITION ANALYSIS

(RMB'mil)	As at 30 Sep 2025	As at 31 Mar 2025	Variance (%)
Equity attributable to the owners of the Company ("**Net asset value**")	**591.54**	**575.57**	+ 2.8
Non-current assets	**282.63**	**340.52**	(17.0)
Property, plant and equipment	189.03	201.03	(6.0)
Other assets, non-current	23.63	66.76	(64.6)
Current assets	**435.15**	**370.83**	+ 17.3
Cash and bank balances	266.51	183.17	+ 45.5
Current liabilities	**125.45**	**133.22**	(5.8)
Short-term bank borrowings	78.80	74.85	+ 5.3
Working capital[(1)]	**309.70**	**237.61**	+ 30.3
Net cash value[(2)]	187.71	108.32	+ 73.3
Net cash per share[(3)] (RMB cent)	**11.81**	**6.82**	+ 73.2
Net asset value per share[(3)] (RMB cent)	**37.22**	**36.22**	+ 2.8

Notes:

(1) Working capital was computed using current assets less current liabilities.

(2) Net cash value was computed using cash and bank balances less short-term bank borrowings.

(3) Net cash value per share and net asset value per share were computed based on the share capital of 1.59 billion shares as at 30 September 2025 and 31 March 2025.

Zixin Group's balance sheet remains strong as at 30 September 2025. Its net cash increased from RMB 108.3 million as at 31 March 2025 to RMB 187.7 million as at 30 September 2025, and recorded a positive working capital of RMB 309.7 million as at 30 September 2025, up from RMB 237.6 million as at 31 March 2025. Net asset value per share increased slightly from RMB 0.362 as at 31 March 2025 to RMB 0.372 as at 30 September 2025 based on the share capital of 1.59 billion shares.

RECENT DEVELOPMENTS AND PROSPECTS

On 18 September 2025, the Company entered into a share option agreement with management and external investors to subscribe for up to 889 million new shares (the "**Option Shares**") at an exercise of S$0.030 per Option Share, exercisable within five years from the Grant Date. The estimated net proceeds are expected to be approximately S$26.57 million. Shareholders have given their approvals for this fundraising exercise at the extraordinary general meeting held on 28 October 2025.

Unless otherwise specified, all capitalised terms shall have the same meaning ascribed to the Company's announcement dated 18 September 2025.

(References: i) Entry into share option agreement https://links.sgx.com/1.0.0/corporate-announcements/F9K0WOUJNOW5D4M8/70c77aa69875d7aac9ab3ef4cfb1d6f76ac2b772c5cbf2ae4dcbf327f3493c05

ii) Results of the extraordinary general meeting held on 28 October 2025 https://links.sgx.com/FileOpen/ZGHL%20-%20Results%20of%20EGM%20held%20on%2028%20Oct%202025.ashx?App=Announcement&FileID=865115)

Mr. Liang adds, "**Zixin Group is embarking on a swift expansion beyond Liancheng County, Fujian Province, and we will require additional capital to implement these expansion plans in other regions of China and internationally over the coming years. In these uncertain times, we seek certainty, and thus, we have undertaken the share option fundraising exercise to secure the necessary funding for our planned expansions in the replication projects of our integrated circular economy sweet potato industrial value chain model.**

We have been refining our operations in Liancheng County after closing the loop of our integrated circular economy sweet potato industrial value chain in early January 2025, having secured orders for probiotic-infused fermented sweet potato feedstock derived from agricultural waste for the production of poultry feed.

As the harvesting of sweet potatoes commences in late August 2025 and continues into early 2026, we anticipate that the planned capacity expansions of our strategically outsourced complementary business operators in smart warehousing services and upstream animal feed manufacturing will enhance Zixin Group's operational efficiency across both the front-end and back-end of the circular economy industrial value chain. We believe these expansions would fortify our foundation and enable a greater number of participants, who specialise in specific segments of the sweet potato industrial value chain in Liancheng County, to benefit from our integrated circular economy platform, thereby mitigating their risks associated with the sweet potato agricultural sector."

On 7 October 2025, Zixin Group announced a progress update regarding its planned business expansion, which includes (i) the potential sale of halal-certified sweet potato processed products to international markets, (ii) chicken and white duck poultry that have been fed with probiotic-infused fermented sweet potato feedstock, meeting China's national food safety standards, and (iii) enhancements in the production and sale of proprietary branded sweet potato products that are relatively high-tech and higher-margin, which include snacks, convenient foods, and functional foods. These expansion plans are on track to drive the Group's organic growth for the financial year ending 31 March 2026 ("**FY26**").

(Reference: Progress update on Zixin Group's operations https://links.sgx.com/1.0.0/corporate-announcements/BY1XP4NVE3L64YG3/0f9a8907affd405f0cc2f0eec3a0d644f4b1880a5b8109d4880b9f3fb4e64c1b)

The Company will keep shareholders informed on any material developments of the Group, as and when they arise.

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This press release is to be read in conjunction with the Company's unaudited interim financial results announcement posted on the SGX Website on 14 November 2025.

ZIXIN GROUP HOLDINGS LIMITED 紫心集团控股

(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 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**").*

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