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 is strategically positioned to capitalise on Hainan Province's FTP status with the establishment of a wholly-owned subsidiary, Hainan Zixin

- Through Hainan Zixin, Zixin Group aims to broaden its earnings base by:
  - replicating Liancheng's established sweet potato circular economy industrial value chain into Lingao County, Hainan
  - leveraging favourable tax measures to conduct trading business across the sweet potato supply chain between Hainan and Liancheng County, as well as overseas markets
  - enhancing the ecological supply chain service capabilities for the sweet potato industry
- Zixin Group expects its sweet potato ecosystem to sustain steady growth, bolstered by Hainan Zixin's favourable tax status, and this could foster sustainable developments for a wider spectrum of stakeholders in the sweet potato industry

FOR IMMEDIATE RELEASE

SINGAPORE, 17 December 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, announced that it has, through the Company's wholly-owned subsidiary, Zixin International Pte. Ltd., incorporated a wholly-owned subsidiary, Hainan Zixin Sweet Potato Industry Technology Co., Ltd., 海南紫心薯业科技有限公司 ("**Hainan Zixin**"), in Hainan Province, China.

Hainan Zixin has been established with a registered capital of S$5 million and a paid-up capital of S$3 million. The paid-up capital is funded through the net proceeds raised from the share option agreement entered into by the Company on 18 September 2025 and the subsequent exercises of share options. The principal activities of Hainan Zixin encompass the processing and production of food, food sales, urban distribution and delivery services (excluding dangerous goods), tourism business, accommodation services and catering services.

Commenting on the establishment of Hainan Zixin, Mr. Liang Chengwang (梁承旺), Executive Chairman and Chief Executive Officer of Zixin Group, said, "**We are delighted to share our achievement in reaching this significant milestone for Zixin Group with the establishment of Hainan Zixin as part of our expansion initiatives in addition to the rural revitalisation project in Lingao County, Hainan Province, China announced three years ago. We are grateful for the patience and support of all our well-wishers.**

With the establishment of Hainan Zixin, we will gradually replicate our Liancheng circular economy industrial value chain in Lingao County, Hainan Province. This initiative aims to significantly expand the regional market and enhance brand recognition for Zixin in Hainan.

We will initially focus on trading and selling both fresh and processed sweet potatoes, as well as raw materials like maltose for snack food manufacturing. This business initiative enables Zixin Group to leverage the favourable tax measures that Hainan Zixin enjoys under the Hainan FTP to aggregate the sales and purchases of fresh sweet potatoes and semi-processed sweet potato products, for instance, to and from Liancheng County. We will be deploying the same approach for our trade business between China and our overseas markets. By leveraging Hainan Zixin's trade advantage, we aim to expand our earnings base in the future."

According to the revenue analysis in the 1H FY26 results(1), fresh and processed sweet potatoes constituted approximately 97% of the Group's revenue.

(Reference: (1) 1H FY26 Financial Statements https://links.sgx.com/1.0.0/corporate-announcements/BOM21MFHYEQ4C3E2/4fb71bc8ef405e7dee2947d5bc6ca301725c64f0e4fa2544e0981278b3417a93)

Hainan Free Trade Port 海南自由贸易港

On 18 December 2025, the Hainan Free Trade Port ("**FTP**") will officially implement a zero-tariff and "customs closure" system(2). This initiative, adopted at the 29th Meeting of the Standing Committee of the 13th National People's Congress on 10 June 2021(3), aims to establish a highly efficient, open, and digitally managed trade environment, marking a significant milestone in Hainan's transformation into a globally competitive free trade hub.

Central to these measures are two zero-tariff initiatives, known as the "first line" and "second line" of the port:

- **The first line** exempts import duties for goods processed in Hainan that contain imported materials and achieve at least 30% added value upon export to the Chinese mainland.
- **The second line** permits eligible entities to import certain goods from overseas to the Hainan FTP without incurring import tariffs, value added tax, or consumption tax.

References:

(2) Hainan Free Trade Port: Tax, Customs, and Industry Incentives for Foreign Investors https://www.china-briefing.com/news/preferential-policies-in-hainan-free-trade-port/#:~:text=Hainan%20%E2%80%9Ccustoms%20closure%E2%80%9D%20zero%2D,%2C%20VAT%2C%20or%20consumption%20tax.

(3) 中华人民共和国海南自由贸易港法 https://www.caac.gov.cn/PHONE/XXGK_17/XXGK/DWZC/202111/t20211124_210283.html

Mr. Liang adds, "**We view our establishment in Hainan to be both a strategic and timely move for Zixin Group. The gradual deployment of key essential business segments within our sweet potato integrated circular economy industrial value chain in Hainan not only replicates the successful model into Lingao County but also strengthens the ecological supply chain service capabilities for the sweet potato industry. We believe that the sweet potato ecosystem, especially the ability to reduce tax liabilities through Hainan Zixin, will continue to expand steadily, thereby fostering sustainable development for a broader spectrum of stakeholders, including farmers and workers in food processing factories within the sweet potato industry.**"

The Board is of the view that contributions from Hainan Zixin is not expected to have any material impact on the Company's financial performance for the financial year ending 31 March 2026 ("**FY26**"). The Company will update shareholders and the investing public on any material developments 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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This press release is to be read in conjunction with the Company's announcement posted on the SGX Website on 17 December 2025.

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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 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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