

Zixin Group Holdings Limited

26 March 2026

Initiation (Non-Rated)

BBG	ZXGH SP	
Market Cap (S\$m)	60.3	
Price (S\$) (26 Mar 2026)	0.030	
52-week range (S\$)	0.023 - 0.039	
Shares Outstanding (m)	2010.5	
Free Float	69.1%	
Major Shareholder	Liang Chengwang	13.7%
	Khoo Thomas Clive	9.2%
	PTS Capital Pte Ltd	7.9%

Source: Company data, Bloomberg, SAC Capital



Source: Company data, Bloomberg, SAC Capital

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KEY FINANCIAL HIGHLIGHTS

Year ended Mar (RMB'm)	FY23	FY24	FY25	1HFY26
Revenue	219.6	319.0	424.7	220.6
EBIT	(8.5)	23.1	57.2	25.3
Net profit	(14.2)	13.4	42.7	16.1
EPS (RMB cents)	(1.0)	1.0	2.8	1.0
Dividend per share (RMB cents)	0.0	0.0	0.0	0.0
Net cash / (debt)	158.4	97.7	108.3	187.7
Valuation				
Gross profit margin (%)	27.0%	32.0%	34.0%	30.2%
Net profit margin (%)	-6.5%	4.2%	10.1%	7.3%
EV / EBITDA (x)	15.9	4.5	2.2	2.6
P/E (x)	(17.9)	19.0	6.7	5.3
P/B (x)	0.5	0.5	0.5	0.5
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%
ROE (%)	-2.8%	2.6%	7.4%	2.7%

Grounded in Growth

Zixin Group Holdings Limited, formerly known as China Star Food Group Limited, represents a highly specialised, deeply integrated agricultural technology and consumer staples enterprise primarily operating within China. Having successfully executed a profound strategic pivot from a traditional snack food manufacturer into a biotech-focused sweet potato industrial value chain operator, the company has established a formidable "circular economy" business model that structurally insulates it from the intense price wars currently plaguing downstream Chinese retail competitors.

Hainan Rural Revitalization Project. This strategic expansion involves the exact replication of Zixin's highly successful ecosystem in Liancheng County across a landmass approximately five times larger, encompassing nearly 9,000 hectares of cultivable land in Lingao County, Hainan. With the initial phases of land preparation already completed across multiple villages, this Hainan project is anticipated to begin contributing substantially to the group's bottom line by FY27, possessing the fundamental capacity to eventually double the company's overall profitability. Furthermore, Zixin's strategic establishment of a trading entity within the Hainan Free Trade Port allows the company to immediately leverage highly advantageous zero-tariff policies, significantly reducing tax liabilities on the import of raw materials and the export of processed goods.

International Market Penetration. Zixin is moving beyond its domestic Chinese market through targeted international certifications and strategic investments. Zixin has secured halal certification from the Halal Product Assurance Body in Indonesia for its manufacturing facilities. The company is currently developing new packaging and preparing to launch specific halal-certified sweet potato snacks for Indonesian distributors. Furthermore, In December 2025, Zixin made a strategic US\$ 400,000 capital contribution to acquire a 40% interest in Zixin Life LLC. This provides the group with a foothold in the retail and distribution of health supplements, food, and cosmetic products within the United States.

Commissioning of the first phase of a new 86,000-square-metre high-tech manufacturing facility in Liancheng County. This state-of-the-art facility is engineered to eventually increase current processing capacity by 2.6 times, reaching a total annual output of 35,000 tonnes. More importantly, this capacity is specifically dedicated to the production of advanced functional ingredients, most notably the Zixin CellRootZ+ single-cell sweet potato powder. By targeting the lucrative, high-barrier business-to-business (B2B) functional food, bakery, and nutraceutical markets, Zixin is structurally elevating its gross profit margins far beyond the natural limitations of the competitive traditional consumer snack food sector.

Validation and Scaling of the Circular Economy Model.

Commercialisation of its probiotic-infused animal feedstock has decisively transitioned from a pilot concept to a tangible, revenue-generating reality. In late 2025, the company successfully renewed critical supply agreements with local poultry farms, securing a 50% volume increase for FY26. As third-party fermentation capacity expands, Zixin is well-positioned to secure additional orders.

Zixin Group Holdings Limited

Zixin delivered strong 1HFY26 results. The Group's 1HFY26 revenue increased by 40.8% YoY to RMB 220.6 million, while gross profit rose 28.0% YoY to RMB 66.6 million, a result of overall increase in revenue across all reportable business segments. The Group's net profit jumped 105.5% to RMB 16.1 million in 1HFY26, attributed to significant increase in revenue and the absence of non-cash and one-off expenses amounting to RMB 7.7 million incurred in 1HFY25.

Risks. Firstly, as a vertically integrated operator anchored within the primary agricultural sector, Zixin remains inherently exposed to climatic volatility and biological hazards. Extreme weather events and potential outbreaks of crop diseases could severely disrupt raw material yields, and inflate upstream supply costs. Execution risk arises from concurrent scaling initiatives, including expanded seedlings nursery, commissioning of new manufacturing lines and geographic expansion into Hainan.

Valuation. Zixin is currently trading at a P/E of 5.3. Using the Catalyst valuation as a reference, the mean P/E of Catalyst board is 15.8x.



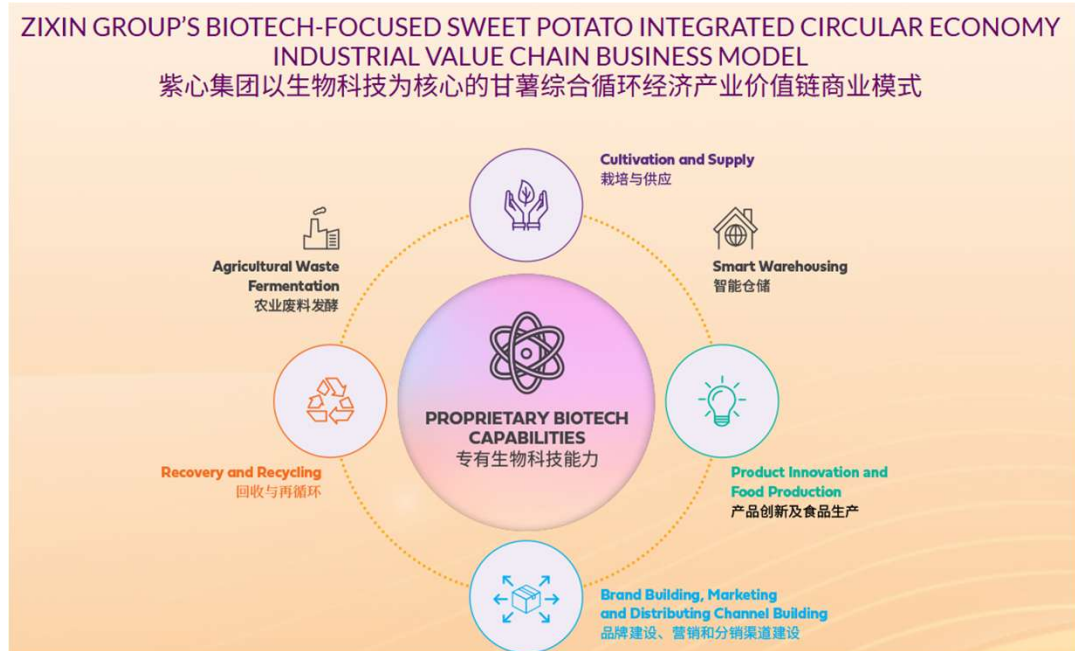
Source: Company

Company Background

Zixin Group Holdings Limited achieved its listing on the SGX Catalist board via a reverse takeover in 2015, operating under the moniker China Star Food Group Limited. Headquartered in Singapore, the company primarily operates through its subsidiaries within the People's Republic of China (PRC), with a strategic focus on Fujian and Hainan provinces. In its nascent stages, the Group operated primarily as a midstream purchaser and processor of sweet potato snacks. However, recognising the inherent vulnerabilities of relying on third-party aggregators for raw materials, including profound price volatility, inconsistent tuber quality, and the persistent threat of supply chain disruptions, management initiated a comprehensive strategic pivot.

In November 2022, the Group formally rebranded as Zixin Group Holdings Limited, signalling a transition from a commoditised food manufacturer to a specialised agricultural technology enterprise. By aggressively investing in upstream capabilities, including the leasing of thousands of acres of farmland in Liancheng County, Fujian Province, and the collaboration with sophisticated biotechnology laboratories for seedling research, Zixin systematically engineered a vertically integrated value chain. Today, the company owns and operates manufacturing facilities, complemented with third-party operated smart warehousing facilities, and vast cultivation tracts, effectively controlling every variable from the genetic profile of the seed to the retail distribution of the final packaged product.

The cornerstone of Zixin's business model is its proprietary, closed-loop biotechnology system centred on the sweet potato, designed to create an agricultural circular economy . This model serves as the company's primary economic moat, distinguishing it from traditional agricultural producers by focusing on vertical integration and waste valorisation. Zixin's operating segments include (i) Cultivation & Supply (C&S), (ii) Product Innovation and Food Production (PIFP), and (iii) Recovery & Recycling (R&R). The three segments operate in synergy to maximise value and minimise environmental impact.



Source: Company

Business Segments

Cultivation and Supply (C&S)

The Cultivation and Supply (C&S) segment forms the foundation of this model, engaging in the research and development (R&D) of new sweet potato varieties, the cultivation of fresh tubers, and the sale of seedlings. This ensures a consistent supply of high-quality raw materials and allows the company to restore and innovate in plant genetics, a critical factor for improving yield and creating higher-value fresh sweet potato variants.

The strategic brilliance of this segment lies in its collaborative farming model. Zixin supplies its patented, high-yield seedlings, alongside comprehensive technical solutions including soil improvement regimens and specialised fertilisers, to individual contracted farmers. In return, Zixin guarantees the offtake of the harvest. This mutually beneficial ecosystem ensures Zixin receives a reliable, high-quality supply of premium orange and purple sweet potatoes required for its manufacturing operations while simultaneously raising the socioeconomic floor for local agrarian communities. The imminent expansion into Lingao County, Hainan Province, will exponentially scale this segment. Because Hainan features a tropical maritime climate, it permits two full planting cycles per year, enabling Zixin to harvest and supply off-season fresh sweet potatoes to the broader Chinese and overseas markets at significant pricing premiums.

Meanwhile, Zixin also markets and sells its seedlings and farming solutions to non-contracted farmers. By providing high-yield seedling of popular sweet potato variants and proven farming guidance, Zixin aims to enhance overall crop yields and sustainability for fellow local farmers.

Product Innovation and Food Production (PIFP)

The midstream Product Innovation and Food Production segment is the primary engine for the company's revenue and margin growth, generating an impressive RMB 323.0 million in FY25. This segment is tasked with the high-value transformation of low-cost raw tubers into premium processed snacks and, increasingly, functional foods.

Technological differentiation is the absolute core driver of this segment. Traditional snack manufacturers have historically struggled with sweet potatoes because conventional high-temperature deep-frying processes degrade the tuber's complex carbohydrates. This results in products with uneven crispiness, poor chewability, high oil retention, and the complete thermal destruction of the tuber's native heat-sensitive nutrients. To solve this industry-wide bottleneck, Zixin pioneered the implementation of proprietary Vacuum Low-Temperature (VF) "freshness-locking" technology.

By scientifically regulating cooking times within a pressurised vacuum environment at approximately 100°C, the VF process facilitates the uniform and gentle evaporation of water. This specific thermal dynamic drastically reduces oil absorption, entirely prevents the formation of harmful, carcinogenic acrylamides associated with high-heat frying, and perfectly preserves the sweet potato's essential, naturally occurring nutrients, including Vitamin C, dietary fiber, and trace minerals like selenium. This technological breakthrough allows Zixin to market its crisps and fries not just as snacks, but as premium, health-conscious, "light and non-greasy" alternatives to traditional potato chips. To meet the surging national demand for these upgraded products, the company has continuously expanded its installed annual production capacity for processed snacks, reaching 13,700 tonnes in FY25, with a massive new 86,000 square meter high-tech manufacturing facility currently under construction that is projected to add an ultimate capacity of 35,000 tonnes upon completion.

Business Segments

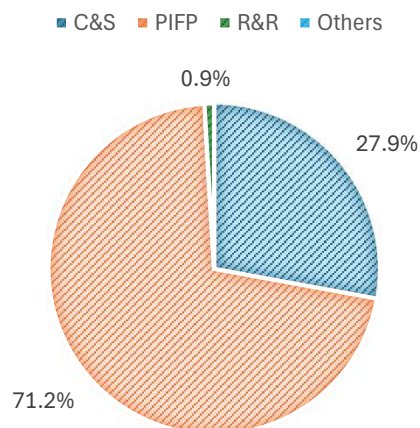
Recovery and Recycling (R&R)

The downstream Recovery and Recycling segment represents the final piece of the closed-loop circular economy, brilliantly converting agricultural liabilities into high-margin, revenue-generating assets. During standard industrial processing, up to 30% of the sweet potato mass, including peels, stems, leaves, and substandard, misshapen tubers, is traditionally discarded as organic waste, incurring significant disposal costs and potential environmental compliance penalties.

Zixin has deployed advanced biotechnology to recover and monetise this waste stream. Through proprietary probiotic fermentation processes developed in-house, the company successfully converts this discarded organic matter into highly nutritious, probiotic-infused feedstock for the poultry and livestock industries. This initiative aligns perfectly with China's broader macroeconomic goal of establishing circular agricultural economies and reducing the nation's heavy reliance on imported high-protein ingredients like soybean meal for animal feed.

Commercialisation of this high-tech R&R segment officially commenced in early 2025. In late December 2025, Zixin validated the market demand for this product by successfully renewing and expanding its supply contract with a local chicken poultry breeder. The renewed order increased the annual supply volume by 50%, jumping from 1,080 tonnes in 2025 to 1,620 tonnes for 2026. While maintaining pricing parity, this volume increase translates to a projected revenue of RMB 4.86 million (approximately SGD 0.89 million) for FY26, up from RMB 3.24 million in the prior year. While the absolute top-line revenue from the R&R segment is currently diminutive relative to the total group figures, its impact on the company's cost structure is profound; by monetising the waste, it effectively pushes the net raw material cost of the PIFP snack segment toward zero, structurally expanding gross margins across the entire enterprise.

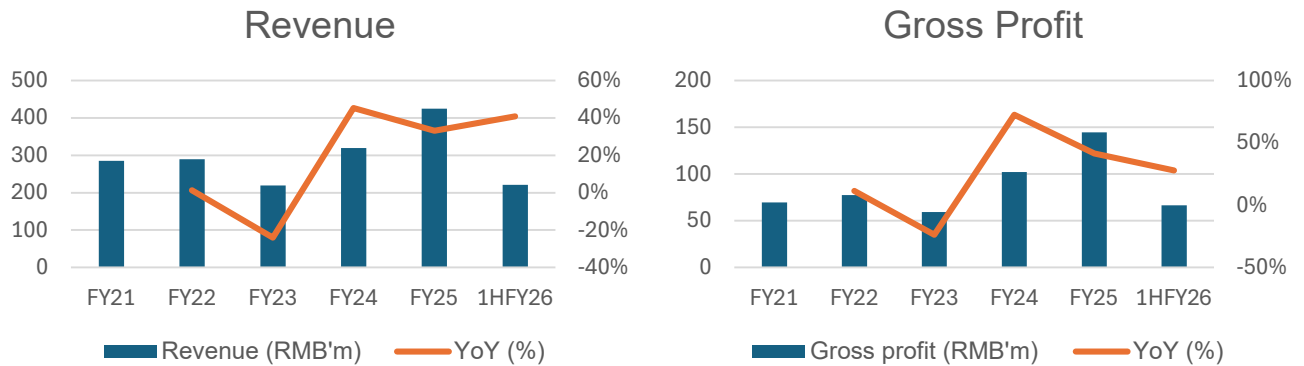
1HFY2026 REVENUE SEGMENT (%)



Source: Company data, SAC Capital

Financials

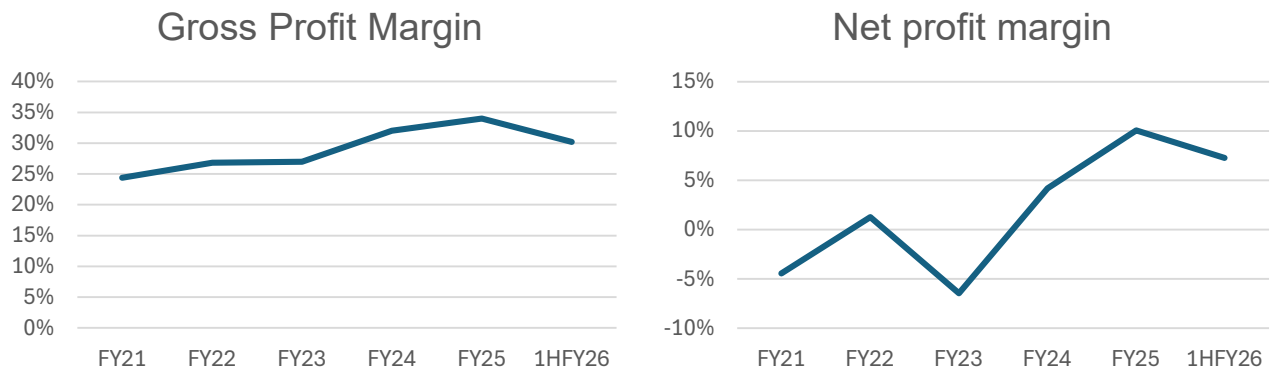
Zixin’s financial performance exhibited a volatile trajectory over FY2021 to FY2025, followed by a strong recovery phase. Revenue remained relatively stable in FY2021 and FY2022 at RMB 285.5 million and RMB 289.1 million respectively, before declining sharply by 24.0% YoY to RMB 219.6 million in FY2023 amid COVID-related disruptions that impacted supply chains and sales volumes . However, the Group rebounded strongly in FY2024, with revenue surging 45.3% YoY to RMB 319.0 million, driven by improved production volumes, better harvest outcomes and stabilised selling prices. This growth momentum continued into FY2025, where revenue increased a further 33.1% YoY to RMB 424.7 million, supported by scaling operations and stronger demand. Gross profit followed a similar trend, declining in FY2023 but rising sharply thereafter to RMB 102.1 million in FY2024 and RMB 144.4 million in FY2025, reflecting improved economies of scale and operational efficiency.



Source: Company data, Bloomberg, SAC Capital

Source: Company data, Bloomberg, SAC Capital

Profitability margins strengthened materially over the period, underscoring the Group’s improving earnings quality and operating leverage. Gross profit margin expanded steadily from 24.4% in FY2021 to 27.0% in FY2023, before rising more significantly to 32.0% in FY2024 and 34.0% in FY2025, driven by a higher contribution from processed, higher-margin products and enhanced cost efficiencies. Net profit margin also saw a notable recovery, improving from negative 4.4% in FY2021 and negative 6.5% in FY2023 to 4.2% in FY2024 and 10.1% in FY2025, reflecting the Group’s return to sustainable profitability as operational disruptions eased.



Source: Company data, Bloomberg, SAC Capital

Source: Company data, Bloomberg, SAC Capital

Industry Overview

Sweet potatoes and purple sweet potatoes, traditionally staple crops in China, are undergoing a significant strategic transition from subsistence agriculture to high-value commercial commodities. Catalysed by the global shift towards health-conscious consumption and China's Rural Revitalisation strategy, the sector is demonstrating unprecedented momentum and commercial viability.

According to Global Growth Insights, the global sweet potato market continues to exhibit steady expansion, reaching a valuation of USD 34.21 billion in 2024. The market is projected to grow to USD 41.61 billion by 2033, representing a compound annual growth rate (CAGR) of 2.2%.

Rising health consciousness among consumers has significantly increased demand for nutritious and natural food options, with sweet potatoes gaining popularity as a healthier choice due to their low glycemic index and rich nutrient profile. At the same time, their versatility in culinary applications has broadened their appeal, as they can be incorporated into a wide range of dishes, including soups, salads, side dishes, desserts, and even used as a substitute for traditional carbohydrates such as rice or pasta. Coupled with increasing consumer awareness of their nutritional benefits, this has driven stronger demand for sweet potato-based products such as chips, fries, and purees, further expanding market opportunities.



Source: Company

Industry Overview

China's government policies strongly support agricultural and food investments because the central government has progressively codified food security priorities into law and planning frameworks that bind both central and provincial authorities.

China Policy Analysis - National Directives

The Food Security Law (2024):

Enacted by the People's Republic of China on 29 December 2023, and took effect on 1 June 2024, the "Law of the People's Republic of China on Assuring Food Security" is a landmark legislative framework designed to ensure "absolute security" in staple grains and basic self-sufficiency across all agricultural outputs. The law mandates that the maximum possible percentage of the domestic food supply must be produced and processed within China's borders to insulate the nation from geopolitical supply chain shocks. Crucially, within this stringent security apparatus, sweet potatoes and other tubers have been officially designated as essential "buffer crops". Because tubers exhibit extraordinary resilience to drought, poor soil conditions, and erratic rainfall, they serve as an indispensable caloric safety net during periods of severe climatic or market instability.

2026 No. 1 Central Document:

Issued annually as the first and most critical policy statement by China's central authorities, the "No. 1 Central Document" dictates the immediate tactical priorities for agriculture and rural development. The 2026 document, released on 3 February 2026, anchors agricultural modernisation at the precise start of the 15th Five-Year Plan period. While absolute food security remains the paramount goal, the 2026 document explicitly shifts the operational focus from pursuing raw quantity increases to striving for distinct improvements in quality and systemic efficiency, heavily highlighting the adoption of "new productive forces".

The 2026 No. 1 Central Document dedicates comprehensive sections to promoting stable income growth for farmers and unequivocally preventing a large-scale return to poverty. It introduces a new phase of "regular and targeted assistance" and promotes the seamless integration of smallholder farmers into modern agricultural industrial clusters. Furthermore, the policy explicitly aims to expand rural consumption formats and supports the cultivation of "agricultural entrepreneurs" to drive local wealth generation.

Zixin Group's integrated operational model represents a textbook execution of this complex socio-economic directive. By establishing and scaling a robust, fully industrialised sweet potato value chain in rural counties, Zixin transforms a basic, low-margin cash crop into a highly sophisticated, high-value ecosystem comprising branded snack foods, advanced functional foods, and proprietary animal feedstock. This industrialisation absorbs vast amounts of local rural labour, systematically elevates the technological capabilities of local farmers through the provision of advanced, climate-resilient seedlings and modern cultivation techniques, and significantly boosts the aggregate income of agricultural owners.

Industry Overview

15th Five-Year Plan (2026–2030):

The 15th Five-Year Plan (2026–2030) adds a medium-term planning “ceiling” that shapes capital allocation, industrial policy and regional implementation. The “Recommendations” for formulating the 15th Five-Year Plan were published in late October 2025, and official reporting in March 2026 indicates China approved a 2026–2030 development blueprint for the remainder of the decade. The plan includes 109 major projects, with a significant cluster specifically focused on agricultural modernisation and integrated urban-rural development. Crucially, the 15th FYP signals a definitive pivot away from sheer volume expansion toward technological modernisation, systemic resilience, environmental sustainability, and the diversification of the national diet. The plan sets an ambitious target to reach a national grain production capacity of 725 million tons by 2030, necessitating an additional 50 million tons of capacity driven almost entirely by biological breeding, yield improvements, and digital agriculture rather than land expansion.

The overall policy package reinforces (i) agritech and productivity investments, (ii) rural industrial value-add, (iii) resilience of food and feed supply chains, and (iv) regulatory preference for waste reduction and greener production systems. These are the factors that can influence local approvals, subsidies, financing access and channel development in agricultural clusters.

The 15th FYP places unprecedented, strategic emphasis on **"seed innovation and self-reliance,"** effectively treating advanced agricultural genetics as a matter of national security on par with semiconductor manufacturing. The plan implements a rigorous seed industry revitalization strategy aimed at achieving an 85% self-sufficiency rate for core germplasm. Furthermore, the policy explicitly supports the adoption of biotech-derived cultivation techniques, including gene-edited and advanced hybrid crops, to develop high-yield, stress-resistant, and widely adaptable varieties.

Zixin Group’s upstream operations are inherently and deeply aligned with this technological objective. Through its long-standing collaborations with state agricultural academies, Zixin operates proprietary research and development facilities entirely dedicated to innovating and breeding high-quality sweet potato seedlings.

Industry Overview

Provincial Policy Environments and Practical Implementation

Fujian Province:

During the continuity of the 14th Five-Year Plan and heading into the 15th, the Fujian provincial government has prioritised the "real economy" and the deep integration of scientific innovation with industrial manufacturing capacity. The province is implementing a "555X" industrial cluster strategy designed to foster smart, green, and highly integrated supply chains. Zixin has been a primary beneficiary of this localised support.

The Liancheng County government has actively invested in critical infrastructure, including the construction of advanced factory buildings and smart warehousing facilities featuring grading, sorting, and cold storage capabilities. These facilities are leased to Zixin and its strategic partners on highly favorable terms, drastically reducing the company's capital expenditure requirements and allowing it to rapidly optimise its business processes without straining its balance sheet.

Hainan Province:

The most transformative intersection of policy and corporate strategy is occurring in Hainan Province. The province is being aggressively developed into the Hainan Free Trade Port (FTP), a massive economic zone featuring zero-tariff policies on imported raw materials and production equipment, capped corporate income tax rates of 15%, and relaxed restrictions on foreign investment. Recognising this generational opportunity, Zixin has incorporated a wholly-owned subsidiary, Hainan Zixin Sweet Potato Industry Technology Co., Ltd., specifically to capitalise on the FTP's tax incentives and to leverage zero-tariff initiatives for the export of products to mainland China that are processed in Hainan using imported materials.

More significantly, Zixin has partnered with CITIC Construction to execute a massive rural revitalisation project in Lingao County. This initiative, framed within the local "Three Areas and One Park" project, encompasses an astonishing 8,961 hectares across 12 villages, a landmass approximately five times larger than Zixin's entire operation in Fujian. CITIC Construction will manage the heavy municipal and agricultural infrastructure development, while Zixin provides the biotechnology, seedling IP, and processing expertise. Hainan's tropical maritime climate permits multiple planting cycles per year, fundamentally solving the seasonality constraints that limit Fujian's output. This state-sponsored expansion is the primary catalyst expected to more than double Zixin's profitability as revenues scale rapidly from FY2027 onward.

Sustainability

Environmental, Social, and Governance (ESG) principles are deeply embedded within Zixin Group's operational framework. Far from being a mere compliance exercise, the company's commitment to sustainability acts as a foundational component of its economic moat and a primary driver of municipal and provincial subsidies.

Environmental Stewardship and Climate Resilience

Transparency and proactive climate management define Zixin's environmental approach. The company aligns its climate-related disclosures with the Task Force on Climate-related Financial Disclosures (TCFD) framework. In FY2025, Zixin reported tangible reductions in its Scope 1 and Scope 2 greenhouse gas emissions, a direct result of ongoing decarbonisation initiatives and the integration of highly efficient automated manufacturing processes at its new facilities.

At the agricultural level, Zixin's cultivation methodologies are inherently resilient to climate volatility. The company enforces sustainable farming strategies designed to improve soil health and water retention, including precision rotational cropping, deep ploughing, and the extensive planting of green manure. These practices actively restore soil carbon levels and mitigate the degradative effects of intensive monoculture. To combat the rising frequency of droughts, the company's leased farmlands utilise advanced drip and sprinkler irrigation systems that drastically reduce water wastage. Concurrently, Zixin collaborates with local meteorological centers for real-time climatic monitoring, allowing agronomic teams to dynamically adjust planting structures based on highly localised weather patterns.

The Agricultural Circular Economy

The crowning achievement of Zixin's sustainability efforts is its agricultural circular economy. Sweet potato processing invariably yields massive quantities of organic waste (peels, leaves, stems) which, if left to decompose anaerobically, become a potent source of methane emissions. Zixin intercepts this waste stream entirely, utilising proprietary biotechnology and probiotic fermentation to convert the biomass into highly nutritious, easily digestible feedstock for poultry and livestock. This closed-loop system virtually eliminates agricultural waste pollution while directly addressing a critical macroeconomic sustainability goal for China: reducing the nation's reliance on imported, highly carbon-intensive soybean meal.

Social Impact and Governance

Zixin's operational model is a powerful engine for social equity. The company's core business strategy aligns seamlessly with the Chinese state's mandate for rural revitalisation. By providing high-yield seedlings, advanced agritech training, and guaranteed offtake agreements to local farmers, Zixin structurally elevates the incomes and living standards of impoverished agrarian communities in Liancheng County, Fujian. This profound social impact is now being scaled exponentially through the massive CITIC Construction partnership across 12 villages in Lingao County, Hainan. From a governance perspective, the enterprise is anchored by a diverse Board of Directors featuring a strong presence of independent voices, ensuring rigorous oversight of the executive team and safeguarding the interests of minority shareholders.

**Certificate:
Provincial Key
Leading Enterprise
in Agricultural
Industrialisation in
Fujian Province**



Source: Company

**Swiss Rolls
Enhanced With
Single-Cell Sweet
Potato Powder**



Source: Company

Traditional Steamed and Dried Range of Sweet Potato Snack Products



Source: Company

Newly Launched Higher Margin Range of Sweet Potato Snack Products



Source: Company

Income Statement

FYE Mar (RMB'm)	FY23	FY24	FY25	1HFY26
Revenue	219.6	319.0	424.7	220.6
Cost of sales	(160.4)	(217.0)	(280.3)	(154.0)
Gross profit	59.2	102.1	144.4	66.6
Finance income	0.9	0.7	1.2	1.1
Other income	0.6	0.4	0.3	0.2
Other gains	-	-	0.7	1.2
Marketing and distribution costs	(30.8)	(34.4)	(29.3)	(12.8)
Administrative expenses	(35.7)	(42.5)	(58.2)	(29.6)
Other losses	(1.6)	(2.5)	(0.6)	(0.2)
Other operating expenses	(0.2)	(0.0)	(0.0)	-
Finance costs	(1.9)	(2.3)	(3.3)	(1.6)
Profit before income tax	(9.4)	21.5	55.1	24.7
Income tax expenses	(4.8)	(8.1)	(12.4)	(8.7)
Profit for the year	(14.2)	13.4	42.7	16.1

Balance Sheet

FYE Mar (RMB'm)	FY23	FY24	FY25	1HFY26
ASSETS				
Non-current assets				
Property, plant and equipment	142.2	175.7	201.0	189.0
Intangible assets	75.3	69.4	70.9	68.2
Investments in subsidiaries	-	-	-	-
Investment in unquoted shares	-	0.9	1.8	1.8
Other assets, non-current	82.7	91.3	66.8	23.6
Deferred tax assets	1.5	-	-	-
Total non-current assets	301.6	337.4	340.5	282.6
Current assets				
Inventories	2.0	2.7	4.5	1.7
Trade and other receivables	21.9	53.8	91.9	96.7
Other assets, current	56.2	62.9	91.3	70.3
Cash and bank balances	205.5	156.2	183.2	266.5
Total Current assets	285.6	275.5	370.8	435.1
Total assets	587.3	612.8	711.4	717.8
LIABILITIES AND EQUITY				
Current liabilities				
Income tax payable	-	2.3	2.6	42.2
Trade and other payables	37.1	31.4	55.7	4.5
Lease liability, current	0.2	0.2	0.0	0.0
Bank loans	47.1	58.5	74.8	78.8
Total Current liabilities	84.4	92.4	133.2	125.4
Net current assets	201.3	183.1	237.6	309.7
Non-current liabilities				
Other payables, non-current	2.7	6.5	2.6	0.8
Lease liability, non-current	0.2	0.0	-	-
Total Non-current liabilities	3.0	6.5	2.6	0.8
Total liabilities	87.4	98.9	135.8	126.2
Net assets	499.9	513.9	575.6	591.5
Equity attributable to equity holders of the Company				
Share capital	239.2	239.2	258.9	258.9
Retained earnings/(accumulated losses)	214.6	226.6	264.8	280.9
Other reserves	46.2	48.2	51.8	51.8
Total equity	499.9	513.9	575.6	591.5
Total liabilities and equity	587.3	612.8	711.4	717.8

Cash Flow Statement

FYE Mar (RMB'm)	FY23	FY24	FY25	1HFY26
Cash flows from operating activities				
Profit before income tax	(9.4)	21.5	55.1	24.7
Adjustments for:				
Interest income	(0.9)	(0.7)	(1.2)	(1.1)
Interest expense	1.9	2.3	3.3	1.6
Depreciation of property, plant and equipment	15.2	15.5	19.8	12.0
Property, plant and equipment written-off	0.3	0.8	0.2	-
Amortisation of intangible assets	1.8	5.3	5.9	3.1
Loss on disposal of property, plant and equipment	1.4	-	-	0.0
Provision for expected credit losses on trade receivables	(0.1)	0.2	0.2	-
Staff compensation – performance share	-	-	6.6	-
Exchange differences on translation	0.1	0.7	(0.8)	(0.1)
Operating cash flows before changes in working capital	10.2	45.5	89.0	40.3
Changes in working capital:				
Inventories	0.5	(0.7)	(1.8)	2.8
Trade and other receivables	19.3	(32.0)	(38.3)	(4.8)
Other assets	42.4	59.7	51.1	64.2
Trade and other payables	4.5	(2.0)	20.5	(15.4)
Net cash flows generated from operations	76.9	70.6	120.5	87.1
Income taxes paid	(0.9)	(4.3)	(12.1)	(6.8)
Net cash flows generated from operating activities	75.9	66.3	108.4	80.3
Cash flows from investing activities				
Additions to property, plant and equipment	(33.0)	(49.3)	(45.3)	-
Proceed from disposal of property, plant and equipment	2.8	-	-	0.0
Additions to intangible assets	-	-	(7.3)	(0.4)
Additions of investment in unquoted shares	-	(0.9)	(0.9)	-
Upfront payments for key suppliers of sweet potatoes	(24.6)	(75.0)	-	-
Upfront payments for short term suppliers of sweet potatoes	-	-	(55.1)	-
Interest income received	0.9	0.7	1.2	1.1
Net cash flows used in investing activities	(56.7)	(124.5)	(107.4)	0.7
Cash flows from financing activities				
Proceeds from issuance of shares	-	-	13.2	-
Proceeds from new bank loans	64.6	58.5	71.8	67.4
Repayment of bank loans	(53.3)	(47.1)	(55.5)	(63.5)
Payment of lease liability	(0.2)	(0.2)	(0.2)	-
Interest paid	(1.9)	(2.3)	(3.3)	(1.6)
Net cash flows generated from financing activities	9.3	8.9	26.0	2.3
Net (decrease)/increase in cash and cash equivalents	8.0	(49.3)	27.0	83.3
Cash and cash equivalents at beginning of the year	197.5	205.5	156.2	183.2
Cash and cash equivalents at end of the year	205.5	156.2	183.2	266.5

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