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## ZHENGYE INTERNATIONAL HOLDINGS COMPANY LIMITED

正業國際控股有限公司

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 3363)**

### PROFIT ALERT

This announcement is made by Zhengye International Holdings Company Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (“**SFO**”) (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review of the management accounts of the Group, the Group’s loss attributable to equity holders of the Company for the year ended 31 December 2023 (the “**Period**”) is expected to record approximately RMB15 million to RMB20 million, as compared to the profit attributable to equity holders of the Company of RMB47.16 million for the year ended 31 December 2022 (the “**Corresponding Period Last Year**”). The loss attributable to equity holders of the Company was mainly due to the weakening of China’s domestic consumption demand and export factors. The continuous decrease in the Group’s product price as a result of the effect brought by the serious imbalance between supply and demand in the paper and paper-based industry in the first half of 2023, the sales revenue of the Group decreased significantly by approximately 18% to 22% as compared with the Last Year. The excessive energy costs incurred by the predominant use of natural gas in the first half of 2023, the Group’s paper manufacturing sector recorded its first annual operating loss. In the second half of 2023, the market experienced a turnaround, resulting in an overall increase in the Group’s product sales revenue. Simultaneously, the Company invested in steam supply of biomass boilers to reduce energy costs. The profitability significantly improved in the second half of the year.

In 2024, the Group anticipates that with the restoration of balance in the supply and demand of paper and paper products, along with our continued development of low-quantities paper products with high added value, the profitability of our paper manufacturing business will further improve. Meanwhile, our packaging sector will further expand into fast-moving consumer goods packaging and household appliance packaging businesses. It is believed that in 2024 the Company will continue the operating conditions as the second half of 2023, with expectations for growth in product sales and profits.

The Company is in the course of preparing its unaudited annual results for the Period. The information in this announcement is based on a preliminary assessment of the currently available information from the unaudited management accounts of the Group, which have not been audited or reviewed by the Company's auditor or its audit committee, and will be subject to change and finalisation. Shareholders and potential investors are advised to refer to the Group's annual results announcement for the Period which is expected to be published before the end of March 2024.

**Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

By order of the Board  
**Zhengye International Holdings Company Limited**  
**Hu Zheng**  
*Chairman*

Hong Kong, 12 March 2024

*As at the date of this announcement, the Board comprised Mr. Hu Zheng, Mr. Hu Hancheng (Mr. Hu Jianjun as his alternate) and Mr. Hu Hanchao (Mr. Tan Xijian as his alternate), Mr. Hu Jianpeng and Ms. Chen Wei as executive directors; Ms. Hu Jianwen as non-executive director and Mr. Chung Kwok Mo John, Mr. Liew Fui Kiang and Mr. Shin Yick Fabian as independent non-executive directors.*