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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 WARNING

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 (the "**Board**") of directors (the "**Director(s)**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group, the Group expects to record a profit attributable to equity holders of the Company for the six months ended 30 June 2025 of approximately RMB1.0 million to RMB3.0 million, as compared to the profit attributable to equity holders of the Company for the six months ended 30 June 2024 of approximately RMB15.03 million. Such decrease in profit attributable to equity holders of the Company was mainly due to the uncertainties of the trading policies, the weak domestic consumption, and the intensified competition caused by the overcapacity of paper and paper-based packaging industry. Albeit over 10% increase in sales volume of paper manufacturing segment of the Group as compared to the same period last year, the number of orders received by the packaging segment was basically the same as last year. The unit selling prices of raw paper products and paper-based packaging products recorded significant decrease of over 8% as compared to the same period last year, but the prices of major raw waste paper increased by approximately 4% over the same period last year, while the gross profit margin of the Group dropped by approximately 5% as compared to the same period last year. In face of the said operational difficulties, the Group has implemented enhanced management optimization, strict controls on all costs and expenses, enabling a decline in expenditures of approximately 2% as compared to the same period last year. Besides, the Group's paper manufacturing segment recorded gain from the disposal of the properties of the Three-old Transformation project, which resulted in a mere decrease of approximately 1.3% in the net profit margin of the Group as compared to the same period last year.

The Company is in the course of finalising the interim results of the Group for the six months ended 30 June 2025. The information contained in this announcement is only based on the preliminary assessment of the information currently available to the Company and the unaudited consolidated management accounts of the Group, which have not been audited or reviewed by the Company's auditor or its audit committee, and may be subject to adjustments and amendments. Shareholders and potential investors are advised to read carefully the interim results announcement of the Group for the six months ended 30 June 2025, which is expected to be published before the end of August 2025.

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, 8 August 2025

As at the date of this announcement, the Board comprised Mr. Hu Zheng, Mr. Hu Hancheng (Mr. Hu Jianjun as his alternate), 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. Au Yeung Po Fung, Mr. Chung Kwok Mo John and Mr. Liew Fui Kiang as independent non-executive Directors.