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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)

CONNECTED TRANSACTION
DISPOSAL OF PROPERTY

THE DISPOSAL

On 27 March 2026, the Vendor, a non-wholly owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Property at the consideration of approximately RMB4,149,800.

LISTING RULES IMPLICATIONS

The Purchaser is a connected person of the Company as it is wholly owned by Ms. Chen Wei, who is an executive Director and the chief financial officer of the Company. The Disposal therefore constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As all of the applicable percentage ratios (other than the profits ratio) are less than 5%, pursuant to Rule 14A.76(2) of the Listing Rules, the transaction is subject to the reporting and announcement requirements and is exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE DISPOSAL

The Board wishes to announce that on 27 March 2026, the Vendor, a non-wholly owned subsidiary of the Company, and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Property at the consideration of approximately RMB4,149,800.

THE SALE AND PURCHASE AGREEMENT

Set out below are the key terms of the Sale and Purchase Agreement:

Date:	27 March 2026	
Parties:	Vendor:	Zhongshan Lianhe Hongxing Zhizao Company Limited* (中山聯合鴻興智造有限公司), a non-wholly owned subsidiary of the Company; and
	Purchaser:	Zhongshan Taizi Supply Chain Co., Ltd.* (中山市太梓供應鏈有限公司)
Property:	The Property is located at 10/F of Factory Building No. 1, Songwan Zhigu Intelligent Manufacturing Project (松灣智谷智能製造項目), 138 Xin Hao South Road, Shaxi Town, Zhongshan City, the PRC. The gross floor area of the Property is 1,340.81 square metres. The Property is for industrial purpose.	
Consideration:	The consideration is approximately RMB4,149,800, payable in cash. The consideration was determined after arm's length negotiation by reference to (i) the appraised value of RMB4,156,500 of the Property as at 2 March 2026 by an independent valuer (namely, 深圳市國策房地產土地資產評估有限公司) (the "**Valuer**"), and (ii) the prevailing market price of properties at nearby location.	
Payment terms:	40% of the consideration in the amount of approximately RMB1,659,900 shall be paid on or before 27 March 2026. The remaining 60% of the consideration in the amount of approximately RMB2,489,900 shall be paid on or before 30 June 2026.	

The Purchaser shall settle this amount through obtaining bank mortgage. If, due to the Purchaser's own reasons, the approved mortgage is less than 60% of the consideration, the Purchaser shall pay the shortfall to the Vendor by instalments over five years, in equal monthly repayments at an interest rate referencing the over-five-year Loan Prime Rate, adjustable annually on 1 January. The Purchaser may prepay at any time. The Purchaser may apply to the Vendor for an extension in case of genuine financial difficulty, provided the total instalment period does not exceed ten years.

Registration: The Property shall be delivered to the Purchaser for use on 31 March 2026.

The parties shall complete the necessary registration for the Disposal at the relevant governmental authority within 720 days from the signing of the Sale and Purchase Agreement.

VALUATION

Based on the valuation report prepared by the Valuer, appraised value of the Property as at 2 March 2026 (the "**Valuation Date**") is approximately RMB4,156,500 (the "**Valuation**").

Basis and key assumptions of the Valuation

The Valuation represents the market value of the Property. Market value refers to the amount for which the Property would exchange on the Valuation Date between a willing buyer and a willing seller, in an arm's-length transaction, after proper marketing, wherein both parties act knowledgeably, prudently, and without compulsion.

The Valuer has made the following key assumptions:

1. The Valuer relied on information provided by the Vendor, including a copy of the as-built floor plan of the property, and assumed such information to be legal, true, accurate, and complete in the absence of any reason to doubt its validity.

2. A site inspection was conducted, limited to the Property's external and internal condition, layout, finishes, and equipment. No structural measurements or equipment tests were performed. It is assumed that the Property is safe for normal use.

3. No on-site measurement of land or building area was carried out. The Valuer assumed the areas stated in the provided floor plan are accurate.

4. The Valuation assumes an open, fair, and voluntary market at the Valuation Date, with:

    - Willing buyer and seller;

    - Reasonable negotiation time;

- No special relationship between parties;
- Stable market conditions; and
- No premium paid by special buyers.

5. The Property is assumed to remain in its current physical condition, legal status, and permitted use as at the Valuation Date.

6. The Valuation represents market value as at the Valuation Date, 2 March 2026, based on the Property's actual condition and rights at that time.

Valuation methodologies

According to the Code for Real Estate Valuation (GB/T50291-2015), commonly adopted valuation approaches include the comparison method, income approach, cost approach, and hypothetical development method. The selection of the appropriate method depends on the maturity of the local real estate market, as well as the specific characteristics of the subject property and the purpose of the valuation.

The income approach is generally suitable for income-generating properties. However, as the Project is at an early stage with limited sales and leasing activity, and given the lack of reliable rental data for similar properties, this method is not appropriate. Furthermore, the Property is for industrial use, and comparable rental properties in the surrounding area are scarce. The overall industrial leasing market in Zhongshan City in the PRC is relatively weak, and available rental comparables differ significantly from the subject property. Therefore, the income approach has not been applied.

The cost approach primarily reflects the cost value of the property. However, as the Property does not have a corresponding independent land use right area, it is not possible to determine the land use right value using this method. Considering that the purpose of the Valuation is to determine market value for transaction purposes, the cost approach would not accurately reflect actual market value. Hence, the cost approach has not been adopted.

The hypothetical development approach is typically used for properties with investment or redevelopment potential. As the Property is a completed industrial asset, this method is not applicable.

Given the recent surge in industrial redevelopment projects in Zhongshan, there is an active market with a significant number of completed industrial parks available for external sale. The Valuer has collected transaction data for comparable single-story industrial factory units within similar industrial parks through market research. These properties are considered sufficiently comparable to the subject property, and the market comparison approach provides a reliable reflection of its fair market value. Accordingly, the comparison method has been adopted for this valuation.

The comparison method involves selecting a number of comparable transactions and comparing them with 7/F of the building where the Property is located (the "**7/F Comparable**"). Adjustments are made to the transaction prices of the comparables based on differences between the comparables and the 7/F Comparable to derive the estimated value of the Property.

As the Property is located at newly redeveloped industrial building in Zhongshan City in the PRC, the Valuer selected three comparables based on the following criteria:

(i) the transaction method of the comparable cases (whether by way of transfer, tender, auction, etc.) must align with the transaction method of the Property (i.e. by transfer);

(ii) the transaction date of the comparable cases should be within six months prior to the Valuation Date;

(iii) the real estate in the comparable cases should be similar to the Property, and the transaction price should represent normal market value or be adjustable to reflect normal market conditions; and

(iv) under similar conditions, priority should be given to comparable cases that are geographically closer to the Property and have transaction dates closer to the Valuation Date.

These three comparables were chosen as (i) they are all industrial properties, (ii) information regarding the transactions could be found on the market and on-line, and (iii) all of them are newly redeveloped buildings, similar to the Property. These three comparables form an exhaustive list based on the selection criteria.

The Valuation applied adjustment coefficients to account for differences between the 7/F Comparable and the three comparables. These adjustments were grouped into transaction factors, regional factors, and individual factors.

Below sets out the details and the adjustment coefficients ("**AC**") of the comparables and the 7/F Comparable:

	Comparable A	**AC**	**Comparable B**	**AC**	**Comparable C**	**AC**	**The Property**	**AC**
Transaction Factors								
Land Location	West side of Changjiang North Road, East District, Zhongshan City, Fojigu Cloud Valley Digital Industrial Park		Science and Technology Park, South District, Zhongshan City		Zhongshan Shenwan Chengyi • Waisha Science and Technology Innovation City		Songwan Zhigu Intelligent Manufacturing Project, 138 Xin Hao South Road, Shaxi Town, Zhongshan City	
Land Area (m^2)	5,588.09		10,924.07		19,319.22		98,650.30	
Purpose	Industrial		Industrial		Industrial		Industrial	
Transaction Date	November 2025	100	November 2025	100	November 2025	100	December 2025	100
Transaction Type	Transfer	100	Transfer	100	Transfer	100	Transfer	100
Transaction Price (RMB/m^2)	3,800	100	2,580	100	2,588	100	—	100
Regional Factors								
Geographical Location	Good	103	Relatively Good	100	Average	97	Relatively Good	100
Industrial Cluster Effect	High	103	Average	97	Average	97	Relatively High	100
Traffic Conditions	Convenient	103	Average	97	Average	97	Relatively Convenient	100
Infrastructure Condition	Perfect	100	Relatively Perfect	97	Relatively Perfect	97	Perfect	100
Urban Planning	Excellent	100	Excellent	100	Excellent	100	Excellent	100
Environmental Quality	Average	100	Average	100	Average	100	Average	100
Other Factors								
Land Terrain	Flat	100	Flat	100	Flat	100	Flat	100
Geological Conditions	Excellent	100	Excellent	100	Excellent	100	Excellent	100
Road Access	Adjacent to Main Road	100	Adjacent to Side Road	94	Adjacent to Side Road	94	Adjacent to Main Road	100
Land Shape	Relatively Regular	100	Relatively Regular	100	Relatively Regular	100	Relatively Regular	100
Land Development Level	Fully Connected and Leveled	100	Fully Connected and Leveled	100	Fully Connected and Leveled	100	Fully Connected and Leveled	100
Building Floor	7th Floor	100	7th Floor	100	7th Floor	100	7th Floor	100

The comparable figures after adjustments are set out below:

Comparables	Original Transaction Price *(RMB/m^2)*	Adjusted Transaction Price *(RMB/m^2)*
Comparable A	3,800	3,478
Comparable B	2,580	3,007
Comparable C	2,588	3,110

Based on the above adjustments and calculation method, the appraised unit price for the 7/F Comparable is RMB3,200 ((RMB3,478 + RMB3,007 + RMB3,110)/3).

Based on market prices of nearby properties, each two floors of an industrial building form one grading. 2–3/F, 4–5/F, 6–7/F, 8–9/F and 10/F each forms one grading. The difference in one grading will be adjusted by RMB50. As the Comparables are compared mainly with the 7/F Comparable, the appraised unit price for the Property (10/F) is RMB3,100 which is RMB100 lower than the appraised unit price of the 7/F Comparable. The higher the floor in an industrial building, the lower the unit price due to logistics efficiency. As such, the appraised value of the Property (10/F) is approximately RMB4,156,500 (RMB3,100 x floor area 1,340.81 m^2).

Based on the above adjustments and calculation method, the appraised unit price of the Property is RMB3,100. The appraised value of the Property is approximately RMB4,156,500 (RMB3,100 x floor area 1,340.81 m^2).

The Board had reviewed and analysed the Valuation, assessed the independence, qualification and experience of the Valuer, and enquired with the Valuer and the Company's management about the Valuation and its assumptions and methodology, including but not limited to the (a) key assumptions, (b) certain particulars of comparison approach, and (c) calculation of the Valuation. In view of the aforesaid, the Board considered the Valuation to be fair and reasonable.

FINANCIAL IMPACT OF THE DISPOSAL AND USE OF PROCEEDS

The carrying value of the Property as shown in the unaudited consolidated financial statements of the Company as at 28 February 2026 was approximately RMB3,796,700. Subject to review and confirmation by the auditor, upon completion of the Disposal and change of land ownership, the Group is expected to record a gain of approximately RMB10,500 from the Disposal, which is calculated based on the consideration of approximately RMB4,149,800 after excluding value-added tax, consideration exclusive of tax of approximately RMB3,807,200 to be received by the Group for the Disposal less the carrying value (before expenses related to land value-added tax payable on the Disposal, selling expenses, etc.) of the Property as at 28 February 2026. The Company intends to use the net proceeds from the Disposal as general working capital of the Group.

INFORMATION OF THE PURCHASER

The Purchaser is a company incorporated in the PRC with limited liability and is principally engaged in supply chain management services, development and consultation of technology and leasing of properties. It is ultimately owned as to 100% by Ms. Chen Wei, who is an executive Director and chief financial officer of the Company. As at the date of this announcement, Ms. Chen Wei holds 1,838,000 Shares, representing approximately 0.37% of the total issued Shares of the Company.

INFORMATION OF THE VENDOR

The Vendor is a company incorporated in the PRC with limited liability and a non-wholly owned subsidiary of the Company, and is principally engaged in properties development.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The land at which the Property is located was originally used for the construction of the Group's paper-making wastewater treatment facilities and auxiliary material warehouses. To enhance the utilisation of this land, the Group responded to the Zhongshan Municipal Government's call for the "Three Olds" redevelopment initiative and applied for reconstruction of the site, which was approved in July 2022 (the "**Project**"). Phase I of the Project commenced in December 2023, involving the construction of three high-standard factory buildings with a total gross floor area of approximately 39,913.89 square meters. As of the date of this announcement, Factory Building No. 1 of Phase I has been completed. The Property to be sold (namely, the 10th floor of Factory Building No. 1) forms part of the completed Phase I buildings. The Board considers the disposal to be a good opportunity for the Group to realise the value of the Property at a reasonable price, and the proceeds from the Disposal may be applied towards the development and construction of the Project or used to supplement the Group's working capital.

Having considered the reasons for and the benefits of the Disposal, the Directors (including the independent non-executive Directors) are of the view that the terms of the Disposal are on normal commercial terms, which are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

The Purchaser is a connected person of the Company as it is wholly owned by Ms. Chen Wei, who is an executive Director and the chief financial officer of the Company. The Disposal therefore constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As all of the applicable percentage ratios (other than the profits ratio) are less than 5%, pursuant to Rule 14A.76(2) of the Listing Rules, the transaction is subject to the reporting and announcement requirements and is exempt from the circular and shareholders' approval requirements under Chapter 14A of the Listing Rules.

Ms. Chen Wei, an executive Director and chief financial officer of the Company, is the shareholder of the Purchaser, and has abstained from voting on the board resolutions of the Company in relation to the Disposal. Save as disclosed, no Director had a material interest in the Disposal or was required to abstain from voting on the relevant board resolution of the Company.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meaning:

"Board"	the board of Directors
"Company"	Zhengye International Holdings Company Limited, a company incorporated in Bermuda, the shares of which are listed on the Stock Exchange
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Directors"	the directors of the Company
"Disposal"	the disposal of the Property by the Vendor to the Purchaser pursuant to the terms and conditions of the Sale and Purchase Agreement
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC" or "China"	the People's Republic of China, but for the purpose of this announcement only, except where the context requires, references in this announcement to the PRC or China exclude Hong Kong, Macau and Taiwan
"Property"	10/F of Factory Building No. 1, Songwan Zhigu Intelligent Manufacturing Project (松灣智谷智能製造項目), 138 Xin Hao South Road, Shaxi Town, Zhongshan City, the PRC
"Purchaser"	Zhongshan Taizi Supply Chain Co., Ltd.* (中山市太梓供應鏈有限公司), a company established in the PRC with limited liability, being the purchaser of the Property
"RMB"	Renminbi, the lawful currency of the PRC

"Sale and Purchase Agreement"	the agreement for the Sale and purchase dated 27 March 2026 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Property
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Vendor"	Zhongshan Lianhe Hongxing Zhizao Company Limited* (中山聯合鴻興智造有限公司), a non-wholly owned subsidiary of the Company

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

Hong Kong, 27 March 2026

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.

* *For identification purposes only*