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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)

SUPPLEMENTAL ANNOUNCEMENT

DISCLOSEABLE TRANSACTION IN RELATION TO DISPOSAL OF PROPERTY

Reference is made to the announcement of Zhengye International Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 27 April 2026 in relation to the Disposal (the “**Announcement**”). Unless defined otherwise, capitalised terms used herein shall have the same respective meanings as those defined in the Announcement.

The Company would like to supplement the following additional information with respect to the Disposal.

BASIS OF THE CONSIDERATION

As disclosed in the Announcement, the consideration for the Disposal (the “**Consideration**”) was determined after arm’s length negotiations between the parties with reference to the prevailing market price of comparable industrial properties.

Having regard to a gross floor area of approximately 1,208.06 square metres and a total consideration of approximately RMB7,880,100, the unit price of the Disposal is approximately RMB6,523 per square metre. In this regard, the Board has taken into account that the Disposal relates to the first floor of a factory building, which typically commands a price premium over upper floors due to its higher ceiling height, direct and convenient access to public roads, and greater suitability for logistics, loading and unloading and industrial operations.

In determining the Consideration, the Company has also made reference to recent asking prices and transaction information of four comparable industrial buildings within the Zhigu Project (as defined below) and at nearby locations (the “**Comparables**”). As recent transaction data for comparable properties was limited in volume and not readily available to the public, while quotation information is

more widely accessible, the Company has referred to asking prices instead of actual transaction prices. Based on the asking prices and actual transaction prices available to the public, actual transaction prices generally reflect a discount of approximately 10% to asking prices, and such discount has been taken into account in assessing the Consideration (the “**Discount**”).

The Company identified the Comparables based on the following selection criteria:

- (i) the property should be situated on the first floor of an industrial building and located in Zhongshan City, the PRC;
- (ii) the floor-to-ceiling height should be broadly comparable, ranging from approximately 7.8 metres to 7.9 metres;
- (iii) the floor loading capacity should be within a comparable range of approximately 1.5 to 2.0 tonnes; and
- (iv) the property should have completed construction within one year prior to the date of the Disposal.

Set out below is a comparison between the Comparables and the Property:

	Comparable A	Comparable B	Comparable C	Comparable D	The Property of the Disposal
Location	Eastern District, Zhongshan City	Shaxi Town, Zhongshan City	Southern District, Zhongshan City	Southern District, Zhongshan City	Shaxi Town, Zhongshan City
Construction completion date	End of 2025	Mid-2025	Mid-2025	Phase one: Mid-2025	Phase one: Early 2026
Floor-to-ceiling heights (<i>m</i>)	7.9	7.9	7.9	7.9	7.8
Floor loading capacity (<i>tonnes</i>)	2	2	2	1.5	2
Gross floor area (<i>sq.m.</i>)	1,608/1,762 splitable into two sections	3,400 splitable into four sections	4,600 splitable into two sections	2,100	1,208.06
Asking unit prices (before Discount) (<i>RMB/sq.m.</i>)	8,000	7,000	6,500	6,800	7,300
Asking unit prices (approx.) (after Discount) (<i>RMB/sq.m.</i>)	7,200	6,300	5,800	6,100	6,523

Based on the above, the unit price of the Disposal of approximately RMB6,523 per square metre falls within the range of the asking unit price of the Comparables after Discount.

The Comparables represent an exhaustive list of relevant comparable properties identified by the Company based on information available.

The unit price for the Property falls within the prevailing market range after taking into account factors such as floor level, ceiling height, floor loading capacity and accessibility, and after considering the approximately 10% discount to asking prices which was based on available information of the asking prices and actual transaction prices.

Accordingly, the Directors are of the view that the Consideration is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

The Group is expected to record a gain of approximately RMB3,892,000 from the Disposal. The Company intends to use the net proceeds from the Disposal in the development of the Zhigu Project (as defined below) and to supplement the Group's working capital. The Board wishes to supplement that the estimated net proceeds from the Disposal will be utilised as follows:

- approximately 35% for payment of taxes and relevant transaction-related taxes arising from the Disposal;
- approximately 55% for the development of Phase Two of the Zhigu Project; and
- approximately 10% for general working capital of the Group.

The portion of net proceeds allocated to the development of Phase Two of the Zhigu Project (representing approximately 55% of the total net proceeds) is expected to be applied to the following:

- approximately 40% for construction and installation works, including building works and related infrastructure;
- approximately 10% for professional fees, including design, engineering, consultancy and project management services; and
- approximately 5% for contingencies and other ancillary expenses in connection with the development of Phase Two of the Zhigu Project.

The Company expects to deploy the proceeds in accordance with the above allocation based on the current development plan of the Zhigu Project. The actual timing and amount of utilisation may vary depending on the progress of Phase Two of the Zhigu Project, market conditions and the Group's operational needs.

REASONS FOR THE DISPOSAL

The Group currently has two ongoing redevelopment projects, namely 松灣薈谷智能智造項目 (the “**Huigu Project**”) and 松灣智谷智能製造項目 (the “**Zhigu Project**”), both carried out in response to the Zhongshan Municipal Government's “Three Olds” (三舊) redevelopment initiative (the “**Policy**”), which aims to enhance land-use efficiency through the redevelopment and upgrading of land occupied by old towns, old factories and old villages.

The underlying land of each of the Huigu Project and the Zhigu Project forms part of the periphery of larger land parcels owned by the Group on which its existing production facilities are located. In line with the Policy and in order to enhance land-use efficiency and unlock value, the Group has strategically carved out these peripheral portions, demolished certain old buildings that were not fully utilised, and redeveloped them into modern, high-standard factory premises.

The Property subject to the current Disposal forms part of the Zhigu Project. The land underlying the Zhigu Project (the “**Zhigu Land**”) was previously used for the Group’s paper-making wastewater treatment facilities and auxiliary material warehouses, and is located at the periphery of the land owned by 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 the vendor of the Disposal, where 23 existing factories and ancillary facilities are situated (the “**Hongxing Production Base**”). While the paper-making wastewater treatment facilities remain on the Zhigu Land and continue to be utilised by the Group, the auxiliary material warehouses have been relocated to previously unused areas within the Hongxing Production Base, thereby optimising land use without disrupting operations.

The Zhigu Project is being implemented in two phases. Phase One, comprising three high-standard factory buildings with a total gross floor area of approximately 39,913.89 square metres, has been completed, while Phase Two is expected to commence construction in September 2026.

Pursuant to applicable regulations of the Zhongshan Municipal Government, the Group is required to retain not less than 30% of the completed gross floor area of the project for a minimum of 15 years, with the remaining portion permitted to be sold (the “**Saleable Area**”). As at the date of this announcement, approximately one-third of the completed area has been sold, and the Disposal forms part of such Saleable Area. The Group intends to lease out part of the retained area, with the remainder to be used primarily as warehouses to support its operations.

Notwithstanding the Disposal, the Group maintains a well-established operational footprint comprising:

- (i) the Hongxing Production Base with 23 factories and ancillary facilities located in Zhongshan, where the Zhigu Land is situated at the periphery and does not form part of such 23 factories and ancillary facilities;
- (ii) the Yongfa Production Base with 24 factories and ancillary facilities located in Zhongshan, where the land underlying the Huigu Project is situated at the periphery and does not form part of such 24 factories and ancillary facilities, and
- (iii) the Zhengyi Production Base with 12 factories and ancillary facilities located in Jiangxi.

These three production bases (comprising a total of 59 factories and ancillary facilities) constituted approximately 100% of the Group’s overall production capacity for its packaging paper business prior to the implementation of the Huigu Project and the Zhigu Project. Following such redevelopment, the existing facilities of these production bases remain fully operational and continue to be sufficient to meet the normal day-to-day needs of the packaging paper business of the Group.

Accordingly, the Directors are of the view that the Disposal, being part of the Saleable Area, will not have any adverse impact on the Group's normal business operations, as the Group retains adequate production, storage and ancillary capacity to meet its ongoing operational needs.

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

Hong Kong, 12 June 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.