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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 the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that, although it is expected to record an increase in the Group's turnover and gross profit margin for the Year 2011, it is expected that the consolidated net profits of the Group for the Year 2011 is likely to record a decline as compared to the consolidated net profits for the corresponding Year 2010.

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

This announcement is made by Zhengye International Holdings Company Limited (the "**Company**"), together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company and potential investors that, having assessed the currently available information and although it is expected to record an increase in the Group's turnover and gross profit margin for the year ended 31 December 2011 (the "**Year 2011**"), the Group is likely to record a decline in the consolidated net profits for the Year 2011 as compared with the consolidated net profits for the corresponding year ended 31 December 2010 (the "**Year 2010**").

The Board believes that the decline in consolidated net profits of the Company was primarily attributable to an increase in costs and expenses for the planned business expansion of the Group in the Year 2011, investment in research and development ("**R&D**") to strengthen the Group's R&D capability, coupled with a significant rise in finance costs, rentals of factories, wages and other operating and administrative expenses as compared to the Year 2010. .

To leave the above reasons aside, there has been an increase in the Group's turnover and gross profit margin for the Year 2011 as compared to the Year 2010.

The Board considers that the overall financial position and operations of the Group remain sound and healthy.

The Company is still in the process of finalising the annual results of the Group for the Year 2011. The information contained in this announcement is only based on the Company's preliminary review of the management accounts of the Group for the Year 2011, which are to be audited by the Company's auditors. The audited results of the Group for the Year 2011 will be announced on 23 March 2012.

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

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

Hong Kong, 16 March 2012

*As at the date of this announcement, the Board comprised Mr Hu Zheng, Mr Hu Hanchao and Mr Hu Hancheng as executive directors, Mr Hu Hanxiang as non-executive director and Mr Chung Kwok Mo John, Mr Wu Youjun and Mr Zhu Hongwei as independent non-executive directors.*