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Zhou Hei Ya International Holdings Company Limited
周黑鴨國際控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1458)

DISCLOSEABLE TRANSACTION
SUBSCRIPTION OF FINANCIAL PRODUCTS

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On July 14, 2017, July 24, 2017, July 27, 2017 and August 15, 2017, the Company subscribed for four Everbright Financial Products with an aggregate principal of RMB290.0 million.

The Subscription of each of the Everbright Financial Products does not constitute a Notifiable Subscription as all of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of each of the Subscriptions are below 5%. However, the Subscription of the Everbright Financial Products, when aggregated under Rules 14.22 and 14.23 of the Listing Rules, would constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules as one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Subscriptions, when aggregated, is more than 5% but less than 25% and hence are subject to the notification and announcement requirements set out under Rule 14.34 of the Listing Rules.

SUBSCRIPTION OF THE EVERBRIGHT FINANCIAL PRODUCTS

On July 14, 2017, July 24, 2017, July 27, 2017 and August 15, 2017, the Company subscribed for Everbright Financial Products with an aggregate principal of RMB290.0 million. The Everbright Financial Products remain outstanding as at the date of this announcement and the Company expects to receive the principals with the expected returns upon the maturity of the underlying Everbright Financial Products. The major terms of the Subscription Agreements with Everbright Bank of these Everbright Financial Products are set out as follows:

No.	Product Name	Principal Amount Subscribed	Expected Annual Return Rate	Investment Term	Subscription Date	Maturity Date	Expected Amount to be Received Upon Maturity
		<i>(in RMB)</i>	<i>%</i>	<i>(days)</i>			<i>(in RMB)</i>
1	Sunshine Financial Products (T No. EB4122 陽光理財T計劃EB4122)	40,000,000	4.65	184	July 14, 2017	January 14, 2018	40,937,644
2	Sunshine Financial Products (T No. EB4115 陽光理財T計劃EB4115)	50,000,000	4.65	92	July 24, 2017	October 24, 2017	50,586,027
3	Sunshine Financial Products (T No. EB4114 陽光理財T計劃EB4114)	120,000,000	4.82	184	July 27, 2017	January 27, 2018	122,915,770
4	Sunshine Financial Products (T No. EB4119 陽光理財T計劃EB4119)	80,000,000	4.85	184	August 15, 2017	February 15, 2018	81,955,945
	Total	<u>290,000,000</u>					<u>296,395,386</u>

Note 1: The Subscription of each of the Everbright Financial Products does not constitute a notifiable transaction.

Note 2: Each Everbright Financial Product is principal-protected.

Note 3: The Company funded each Subscription utilizing idle cash of the Group.

Other salient terms of the Subscription Agreement with Everbright Bank

The investment of the Everbright Financial Products represents the term commencing on the date of the Subscription Agreement and ending on the maturity date. Pursuant to the Subscription Agreements, the Subscription amount was transferred to the Everbright Bank on the date of the commencement. Everbright Bank shall pay the principal amount and the return for the Everbright Financial Products on the maturity dates. During the Investment term, the Company could not redeem the Subscription Agreement prior to the maturity date of the Everbright Financial Products. Everbright Bank could not terminate the Subscription Agreement prior to the maturity date of the Everbright Financial Products.

The Everbright Financial Products are principal-protected financial products without guaranteed return. The underlying investment of the Everbright Financial Products shall primarily consist of deposits, interbank borrowing and other money market funds, corporate government bonds with rating above certain levels, trust products and other financial products with fixed return, provided that each kind of underlying investment shall not exceed certain percentage, of the total amount of investment in the portfolio.

The Company shall bear a custodian fee that is no more than 0.05% of the total principal amount for the Everbright Financial Products per annum and a handling fee of 1.50% of the total principal amount for the Everbright Financial Product per annum. Such fees and charges shall be deducted from the returns, and the expected annual return rates of the Everbright Financial Product represent the rate of return which the Company might receive taking into account such fees and charges.

Listing Rules implications

The Subscription of each of the Everbright Financial Products does not constitute a notifiable transaction as all of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of each of the Subscriptions are below 5%. However, the Subscription of the Everbright Financial Products, when aggregated under Rules 14.22 and 14.23 of the Listing Rules, would constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules as one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Subscriptions, when aggregated, is more than 5% but less than 25% and hence are subject to the notification and announcement requirements set out under Rule 14.34 of the Listing Rules. Save as disclosed in the announcement, the Company does not hold any other outstanding financial product issued by Everbright Bank as of the date of this announcement.

The Subscriptions dated July 14, 2017, July 24, 2017 and July 27, 2017, when aggregated under Rules 14.22 and 14.23 of the Listing Rules, would constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules as one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of these three Subscriptions, when aggregated, is slightly above 5% and hence are subject to the notification and announcement requirements set out under Rule 14.34 of the Listing Rules. The Company should have published an announcement to that effect as soon as possible after the Subscription dated July 27, 2017. Due to a clerical oversight in the aggregation of the Subscriptions, the Company did not publish an announcement when the Subscriptions in July 2017 exceeded the threshold. The Company was therefore not in full compliance with the Listing Rules. Going forward, the Company will make such disclosure in a timely manner to ensure full compliance with the Listing Rules.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS OF THE EVERBRIGHT FINANCIAL PRODUCTS

Subscriptions of the Everbright Financial Products were made for treasury management purpose to maximize the return on the unutilized funds of the Company after taking into account, among others, the level of risk, return on investment and the term to maturity. Prior to making an investment, the Company had also ensured that there remains sufficient working capital for the Group's business needs, operating activities and capital expenditures even after making the investments in such financial products.

The Everbright Financial Products are short-term principal-protected financial products that have relatively low associated risks issued by a reputable commercial bank. Although the Everbright Financial Products marketed as wealth management products which are without pre-determined or guaranteed return, the underlying investments were considered to have relatively low risk and are also in line with the internal risk management, cash management and investment policies of the Group.

In view of an upside of earning a more attractive return than current saving or fixed deposit rate under the low interest rate trend, as well as the low risk nature and relatively short term of maturity of the Everbright Financial Products, the Directors are of the view that the Everbright Financial Products pose little risk to the Group and the terms and conditions of each of the Subscription Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

GENERAL INFORMATION ON THE PARTIES

Information on the Company

The Company is a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange. The Company is a leading brand and retailer of casual braised food in the PRC.

Information on Everbright Bank

Everbright Bank is a joint-stock company incorporated in the PRC with limited liability and an independent third party. Everbright Bank and its subsidiaries are principally engaged in the commercial banking business which provides services such as accepting deposits, making loans and offering basic investment products. Everbright Bank is listed on the Stock Exchange (Stock Code: 06818) and the Shanghai Stock Exchange (Stock Code: 601818).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Everbright Bank and its ultimate substantial beneficial owners as publicly disclosed by Everbright Bank are third parties independent of the Company and its connected persons.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Zhou Hei Ya International Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed thereto in the Listing Rules
“Directors”	the director(s) of the Company
“Everbright Bank”	China Everbright Bank Company Limited, a joint-stock company incorporated in the PRC with limited liability, a commercial bank established under the laws of the PRC and an independent third party

“Everbright Financial Product(s)”	the financial products issued by Everbright Bank and subscribed for by the Company in accordance with relevant Subscription Agreements and which in aggregate constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules, and an “Everbright Financial Product” shall mean each and any one of them
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“independent third party(ies)”	an individual(s) or a company(ies) who or which, to the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, is(are) not a connected person of our Company within the meaning of the Listing Rules
“Investment Term”	the term of the relevant Everbright Financial Product, during which the Everbright Financial Product is expected to generate return, if any
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	The People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Subscription”	the subscription by the Company of an Everbright Financial Product in accordance with the relevant Subscription Agreement
“Subscription Agreement”	the subscription agreements entered into between the Company and Everbright Bank in respect of the Subscription

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

By order of the Board

Zhou Hei Ya International Holdings Company Limited

Zhou Fuyu

Chairman

Hong Kong, August 15, 2017

As at the date of this announcement, Mr. Zhou Fuyu, Mr. Hao Lixiao, Mr. Zhu Yulong, Mr. Wen Yong and Mr. Hu Jiaqing are the executive Directors; Mr. Pan Pan is the non-executive Director; and Mr. Wu Chi Keung, Mr. Chan Kam Ching, Paul and Mr. Lu Weidong are the independent non- executive Directors.