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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 ESTABLISHMENT OF AN INVESTMENT PARTNERSHIP

In order to seize the growth opportunities in the consumption upgrade in China, focus on the investment opportunities in the consumer sector and explore the industry synergetic resources, on March 12, 2018, Chusi Fangda, an indirect wholly-owned subsidiary of the Company, entered into the Partnership Agreement (as defined below) with Tiantu Capital and Tiantu Xing'an (both companies are subsidiaries of Shenzhen Tiantu) to jointly establish Shenzhen Tiantu Xingnan Innovative Consumption Industry M&A Investment Partnership (Limited Partnership) (深圳天圖興南創新消費產業併購投資合夥企業(有限合夥)) (the tentative name, which is subject to the approval of the registration department for industry & commerce in PRC) (the "**Partnership**" or the "**Fund**") with a size of RMB 3 billion in Shenzhen, Guangdong Province, as an investment platform to primarily invest in projects related to consumption upgrade and new retail pursuant to the Partnership Agreement.

As the highest applicable percentage ratio (within the meaning of Rule 14.07 of the Listing Rules) in respect of the Investment (as defined below) exceeds 5% but is less than 25%, the Investment constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements, but is exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that, on March 12, 2018, Chusi Fangda, an indirect wholly-owned subsidiary of the Company, entered into a partnership agreement (the “**Partnership Agreement**”) with Tiantu Capital and Tiantu Xing’an (both companies are subsidiaries of Shenzhen Tiantu) to jointly form the Fund pursuant to the Partnership Agreement.

THE ESTABLISHMENT OF THE LIMITED PARTNERSHIP

The principal terms of the Partnership are summarised as follows:

- Date: March 12, 2018
- Parties:
1. the general partner: Tiantu Capital
 2. the limited partners: Tiantu Xing’an and Chusi Fangda
- Subject matter: According to the Partnership Agreement, Chusi Fangda, Tiantu Capital and Tiantu Xing’an propose to contribute jointly to the Fund. The total amount of capital contributions to the Fund is RMB 3 billion. The initial amount of capital contributions subscribed by all the partners on the date of the establishment of the Fund is RMB 1 billion, and shall be contributed in cash. The details are as below:

Partners of the Fund	type	subscribed amount (RMB million)	attributable percentage
Tiantu Capital	General partner	10	1%
Tiantu Xing’an	Limited partner	490	49%
Chusi Fangda	Limited partner	500	50%
Total		1000	100%

The open period for subscription is 12 months commencing from the establishment date of the Fund (the “**Open Period**”). Shenzhen Tiantu shall ensure that the total subscribed amount will be no less than RMB 2 billion by the end of the Open Period.

The Fund shall primarily invest in the consumption industry and focus on the market opportunities in the consumption upgrade and new retail field. The investment method shall mainly be equity investment through the subscription of the additional issued capital, equity transfer or initiating new companies with others.

Consideration and
Payment:

Chusi Fangda will, in the capacity of a limited partner, subscribe for RMB 500 million (the “**Investment**”). Chusi Fangda shall pay 50% of the subscribed capital contribution within 30 days of the registration date of the establishment of the Partnership in the industrial and commercial administrative department in PRC. The remaining 50% subscribed capital contributions shall be paid within 30 business days upon the notice by the general partner when the remaining useable investment capital amount is less than 10% of the total amount of the subscribed capital contributions of the Fund.

Chusi Fangda has no obligation and currently has no intention to subscribe for any amount of the remaining 2 billion of the capital contributions of the Fund.

The consideration paid by Chusi Fangda is from the general working capital of the Group.

The consideration of the transaction was arrived at after arm’s length negotiations between the parties on normal commercial terms.

Subsisting Period:

The initial term of the Fund is seven years (the “**Subsisting Period**”), commencing from the date of the formation of the Fund and may be extended upon unanimous agreement of all partners of the Fund, provided that the Subsisting Period shall not exceed nine years. The investment term of the Fund is the first four years of the Subsisting Period.

Fund Management:

Tiantu Capital shall be the executive partner of the Partnership (the “Executive Partner”). The Executive Partner shall act and do things on behalf of the Partnership, be responsible for the daily management and operation affairs of the Partnership, and manage the Partnership as agreed in the Partnership Agreement.

The investment decision-making committee (the “**Committee**”) shall be the only investment decision-making organ of the Partnership. The Committee is consisted of five committee members who shall be nominated by the general partner and approved by the partners’ meeting. Three of the committee members represent Shenzhen Tiantu while the other two of the committee members represent the Company. When voting on a resolution of the Committee, each committee member shall have one vote. The relevant resolution shall be adopted upon approval of committee members representing more than a half of the voting rights.

The partners’ meeting shall be the organ of authority of the Partnership and make resolutions as to related matters of the Partnership as agreed in the Partnership Agreement. The partners’ meeting shall be consisted of all partners. Any and all major matters shall be discussed, voted and decided by partners’ meeting as agreed in the Partnership Agreement and as per the provisions of the relevant laws and administrative regulations.

Distribution of Income: The distribution of the profit shall be made by the following way and in the following order:

Income shall be distributed to all limited partners as per their respective actual contributions amount and actual investment days as to their respective investments made via the Fund. Firstly, the income shall be used for the payback of the actual contributions made by all limited partners, and then, be used for the payback of the actual contributions made by the general partner. If there is still remaining, it shall be paid to the limited partners at the annualized rate of return of 8% of each and every single investment (the “**Priority Return**”) and then, the same paid for the general partner. If there is still remaining, it shall be paid to the general partner until the distribution equals to 25% of the Priority Return paid to all limited partners. If there is still remaining, the 80% of the remaining shall be paid to all partners and the 20% shall be paid to the general partner.

REASONS FOR AND BENEFITS OF THE INVESTMENT

The Company is an investment holding company. The principal activity of the Group is to produce and sell casual food.

The Fund shall mainly invest in the consumption industry and focus on the market opportunities in the consumption upgrade and new retail field. By investing in the Fund, the Company aims to explore the industry synergetic resources and promote the sustainable development of the Company.

In view of the above, the Directors are of the view that the transaction is on normal commercial terms, fair and reasonable, and in the interests of the Company and 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 Chusi Fangda

Chusi Fangda is a limited liability company established under the laws of PRC and an indirect wholly-owned subsidiary of the Company. It is principally engaged in business management consultation; information consultation, investment consultation, and investment management (excluding trust, financial asset management, securities asset management, etc.); investment consultation. (The projects which are subject to the approval according to laws shall gain the approval before carrying out the business.)

Information on Tiantu Capital

Tiantu Capital is a limited partnership established under the laws of PRC and an indirect wholly-owned subsidiary of Shenzhen Tiantu. It is principally engaged in asset management, investment consultation, equity investment, and investment management (excluding securities, insurance, fund, financial business and other restricted projects).

Information on Tiantu Xing'an

Tiantu Xing'an is a limited partnership established under the laws of PRC and an indirect wholly-owned subsidiary of Shenzhen Tiantu. It is principally engaged in industrial investment (specific projects are to be separately submitted), equity investment, asset management, investment management (excluding trust, financial asset management, securities asset management and insurance asset management, etc.); investment consultation, business information consultation, business management consultation and financial consultation (excluding the restricted projects); domestic trading (excluding the franchised, monopolized and special controlled goods); import and export business (excluding the prohibited projects regulated by laws, administrative regulations and the decisions of the State Council, and the restricted projects are subject to the permission).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Tiantu Capital, Tiantu Xing'an and their ultimate substantial beneficial owners are independent third parties. Tiantu Investments Limited, a company incorporated in the BVI and a subsidiary of Shenzhen Tiantu, holds 7.67% in the total issued share capital of our Company as at the date of this announcement. As the shareholding is less than 10%, Tiantu Investments Limited, Shenzhen Tiantu, Tiantu Capital and Tiantu Xing'an are not connected persons of the Company.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio (within the meaning of Rule 14.07 of the Listing Rules) in respect of the Investment exceeds 5% but is less than 25%, the Investment constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements, but is exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors of the Company
“BVI”	the British Virgin Islands
“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
“Chusi Fangda”	湖北楚思方達投資有限公司 (Hubei Chusi Fangda investment Co., Ltd.), a limited liability company established under the laws of PRC on January 12, 2018 and an indirect wholly-owned subsidiary of the Company
“connected person”	has the meaning ascribed thereto in the Listing Rules
“Directors”	the director(s) of the Company
“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
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Shenzhen Tiantu”	深圳市天圖投資管理股份有限公司 (Shenzhen Tiantu investment Co., Ltd.), a company established under the laws of PRC on January 11, 2010, the Shares of which are listed on the PRC National Equities Exchange and Quotations
“Tiantu Capital”	深圳天圖資本管理中心(有限合夥)(Shenzhen Tiantu Capital Management Centre (limited partnership)), a limited partnership established under the laws of PRC on April 18, 2012 and an indirect wholly-owned subsidiary of Shenzhen Tiantu
“Tiantu Xing’an”	深圳天圖興安投資企業(有限合夥)(Shenzhen Tiantu Xing’an investment Enterprise (limited partnership)), a limited partnership established under the laws of PRC on March 15, 2016 and an indirect wholly-owned subsidiary of Shenzhen Tiantu

By order of the Board
Zhou Hei Ya International Holdings Company Limited
Zhou Fuyu
Chairman

Hong Kong, March 12, 2018

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.