

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

CLARIFICATION ANNOUNCEMENT

This announcement is made by Zhou Hei Ya International Holdings Company Limited (the “**Company**”) in response to a report (the “**Report**”) recently issued by an entity which contains allegations against the Company’s business operations and financial results, and is published by the Company pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) to refute and/or clarify the certain allegations made in the Report. After having made enquiries with respect to the Company as is reasonable in the circumstances, the Company confirms that it is not aware of any information which must be announced to avoid a false market in the Company’s securities or any inside information that needs to be disclosed under the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Report disclosed that its author may have a short interest in the shares of the Company (the “**Shares**”) and therefore stand to realize significant gains in the event that the price of the Shares declines. As such, the board of directors of the Company would like to emphasize that the shareholders of the Company and potential investors should exercise extreme caution in reading the Report and that its allegations should be read in light of the significant gains its author may stand to realize. As explained in detail below, the Report contains a concoction of errors of fact, deliberately misleading statements, and unfounded speculations which the Company believes are combined in the Report with a view to manipulate the price of the Shares and undermine the Company’s reputation.

CLARIFICATION ANNOUNCEMENT

The Company denies and refutes the unfounded allegations in the Report

The Company hereby responds to and refutes the allegations made in the Report on the business operations and financial results of the Company and its subsidiaries (collectively, the “**Group**”).

The Report claims that certain events allegedly observed or sighted by the author of the Report are part the Group’s “elaborate and extensive effort” to create “Deal Canceled” sales slip, which in turn implies that the Group does record cancelled order as sales.

In order to refute the frivolous allegations in the Report, the Group will have to bother its shareholders and potential investors with the following operational details and realities that have no bearing whatsoever with any reasonable investment decision:

1. *Cancelation of orders*

The Group would like to clarify that cancelation of orders can be the result of a true cancelation, a suspended order, subsequent cancelation of suspended orders in bulk or training retail management system for points of sale (“**POS system**”) for sales clerks.

The Group does not consider any amount of order cancelation for any reason of any particular concern, as it never records any canceled order without payment record as sales or revenue, and the Group considers this an adequate safeguard against a distorted operational or financial record due to any anomaly produced by any of the scenarios mentioned above.

2. *Time gap between suspended and completed order*

Without knowledge of operational details, the author of the Report assumes that where a suspended order is reactivated, it must be for the original customer. However, this is not always the case. The reality is that sometimes the customer may just abandon a suspended order, and the sales clerks may reactivate the suspended orders for subsequent customers purchasing similar items. That is why time gap of any length can exist between a suspended and subsequently completed order.

3. *Cancelation after completion of stock taking*

As previously explained, the Group's POS system allows the sales clerks to utilize non-peak hours to complete the cancelation process for the suspended orders previously generated in bulk.

A further minute detail the Group did not bother to publicly discuss is that after the sales clerks complete the stock taking for the date and hit a certain button on the POS system, all subsequent sales slip printed out from the POS system will bear a serial number for the next day, including all the sales or the cancelation of suspended orders occurred afterwards.

CONCLUSION

The Group considers the allegations in the Report are the result of profound misunderstanding on how POS systems operate and how sales clerks carry out their daily routines, which is entirely understandable as such minute details are typically not of the concern of an investor but a store manager.

Again, we welcome the supervision from shareholders, investors, and regulators over the Company's business operations and financial results. At the same time, we will not tolerate what seems to be an outright malicious attack on the Company for personal gains, which harms the Company's reputation and business prospects. In the event that any substantial loss is incurred by the Company and/or its shareholders and investors, the Company reserves absolutely all its rights to safeguard such interests by legal means or any other means as appropriate or necessary.

To this end, we will continue to strengthen the Company's corporate governance and endeavor to increase the transparency of the Company. The independent non-executive directors and the Audit Committee of the Board of Directors of the Company have reviewed and approved this Announcement. We are full of confidence for the Group's future. We will continue to leverage our core competence and brand to strengthen the leading position in the casual braised food industry and expanding market share.

Shareholders and potential investors are reminded to exercise extreme caution when dealing in the securities of the Company.

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

Hong Kong, March 14, 2019

As at the date of this announcement, Mr. Zhou Fuyu, Mr. Hao Lixiao, Ms. Li Ying, Mr. Wen Yong and Mr. Hu Jiaqing are the executive directors of the Company; Mr. Pan Pan is the non-executive director of the Company; and Mr. Wu Chi Keung, Mr. Chan Kam Ching, Paul and Mr. Lu Weidong are the independent non-executive directors of the Company.