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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)

UPDATE ON DISCLOSEABLE TRANSACTION ESTABLISHMENT OF AN INVESTMENT PARTNERSHIP

Reference is made to the announcement of the Company dated 12 March, 2018 in relation to the establishment of the Partnership (the “**Announcement**”). Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

The Board wishes to further advise the latest status of our use of IPO proceeds, our latest cash position and the resource of the payment of the Investment.

Our latest status of the use of IPO proceeds is as follows:

Our net proceeds from the IPO amounted to approximately RMB2,452.2 million. As of February 28, 2018, the Group had utilized approximately RMB546 million of the proceeds from the IPO, comprising approximately RMB17.9 million in strategic acquisitions and further develop strategic alliance (acquisition of the entire equity interest in Heibei Industrial Park from Zhou Hei Ya Foods Joint Stock Limited Company (周黑鴨食品股份有限公司)(the details of which are set out in the announcement of the Company dated June 19, 2017)), RMB459.7 million in the construction and improvement of processing facilities, logistics and storage centers, RMB24.7 million in the development of retail store network, RMB32.3 million in brand image campaigns, including the e-commerce marketing campaigns and RMB11.4 million in upgrading its ERP system.

As of February 28, 2018, net proceeds not utilized had been deposited into short-term deposits and term deposits with maturity over three month.

Our latest cash position is as follows:

As of February 28, 2018, the total amount of working capital of our Company was approximately RMB2,991.4 million, comprising approximately RMB1,989.4 million of cash and bank, approximately RMB20.0 million of available-for-sale investments, and approximately RMB982.0 million of structured deposits. Immediately after April 26, 2018, which precedes the estimated date of payment of the first 50% of the Investment (since the completion of the registration of the Investment Partnership in the PRC industrial and commercial administrative department shall be around March 30, 2018, the payment date shall be around April 30, 2018), there will be approximately RMB326.1 million current cash (including RMB20.0 million of available-for-sale investments at maturity, RMB222 million of structured deposits at maturity and approximately RMB84.1 million of cash and bank (Mainland China)) available which is sufficient to pay the first 50% of the Investment.

Based on the above facts, the Company confirms that the Company's business plans and use of IPO Proceeds after listing are not deviated from those disclosed in the Allotment Results Announcement.

Further, the Company will not pay the Investment from the unutilised IPO Proceeds. As mentioned above, as of February 28, 2018, the total amount of cash of our Company was approximately RMB2,991.4 million. After deducting the unutilised IPO Proceeds in the amount of RMB1,906.2 million, as of February 28, 2018, the Company still had a total amount of RMB1,085.2 million cash which is sufficient to cover the Investment. The payment of the Investment will not have any adverse effect on the operations of the Group.

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

Hong Kong, March 27, 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.