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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**

#### **SUBSCRIPTION OF FINANCIAL PRODUCTS**

The Board announces that between January 28, 2022 and August 12, 2022, the Company had subscribed for wealth management and structured deposit financial products offered by, amongst others, Industrial Bank and China Everbright Bank.

#### **LISTING RULES IMPLICATIONS**

As each of the Industrial Financial Products and the Everbright Financial Products were subscribed with the same bank and are of similar nature, they would, in each case, during the relevant period be aggregated as if there were one transaction with that bank for the purpose of calculating the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules. As the highest applicable percentage ratio, on an aggregate basis, in respect of each of the Industrial Financial Products and the Everbright Financial Products during the relevant period exceeds 5% but is less than 25%, the Subscriptions constitute discloseable transactions of the Company for the purpose of the Listing Rules and are subject to the notification and announcement requirements but are exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

The Company should have complied with the relevant notification and announcement requirements under Rule 14.34 of the Listing Rules in respect of each of the Industrial Financial Products and the Everbright Financial Products as and when such obligations arose. The Company regrettably acknowledges that it has failed to timely comply with the Listing Rules due to its unintentional oversight. The Company's board of directors has always put great emphasis on the importance of complying with the Listing Rules and the risk assessment of its wealth management financial products. The failure to make timely disclosure was due to a change in personnel in the Finance Department which is responsible for overseeing the Company's wealth management and structured deposit financial products, resulting in certain inadvertent omission by the relevant staff in aggregating the wealth management and structured deposit financial products purchased from different branch offices of the same bank for the purpose of calculating the applicable size tests, thereby such transactions have not been brought to the attention of the Board as having exceeded the relevant announcement thresholds under the Listing Rules.

## SUBSCRIPTION OF THE FINANCIAL PRODUCTS

The Board announces that between January 28, 2022 and August 12, 2022, the Company had subscribed for wealth management and structured deposit financial products offered by, amongst others, Industrial Bank and China Everbright Bank. Certain Subscriptions with Industrial Bank and China Everbright Bank, calculated separately or cumulatively based on the outstanding principal amount, constitute discloseable transactions of the Company for the purpose of the Listing Rules. The key terms of these Subscriptions are set out in the tables below:

### I. INDUSTRIAL BANK

| No. | Subscription Date | Product Name  | Principal Amount Subscribed<br>(in RMB) | Expected Annual Return Rate % | Maturity Date   | Type of Product   | Investment Scope |
|-----|-------------------|---|---|-------------------------------|-----------------|---|------------------|
| 1   | January 28, 2022  | Wealth management products-Structured Deposits Products | 81,824,000                              | 2.45                          | May 11, 2022    | Non-principal or return guaranteed with floating return | Note (a)         |
| 2   | February 28, 2022 | Wealth management products-金雪球穩利陸陸發                     | 50,000,000                              | 4.19                          | August 28, 2022 | Non-principal or return guaranteed with floating return | Note (b)         |
| 3   | April 8, 2022     | Wealth management products-Structured Deposits Products | 81,209,000                              | 2.37                          | June 10, 2022   | Non-principal or return guaranteed with floating return | Note (a)         |
| 4   | April 21, 2022    | Wealth management products-Structured Deposits Products | 81,715,000                              | 2.63                          | June 22, 2022   | Non-principal or return guaranteed with floating return | Note (a)         |
| 5   | May 11, 2022      | Wealth management products-Structured Deposits Products | 83,000,000                              | 3.35                          | August 12, 2022 | Non-principal or return guaranteed with floating return | Note (a)         |

| No. | Subscription Date | Product Name  | Principal Amount Subscribed<br>(in RMB) | Expected Annual Return Rate % | Maturity Date      | Type of Product   | Investment Scope |
|-----|-------------------|---|---|-------------------------------|--------------------|---|------------------|
| 6   | June 13, 2022     | Wealth management products-金雪球穩利玖玖利                     | 50,000,000                              | 4.00                          | March 13, 2023     | Non-principal or return guaranteed with floating return | Note (b)         |
| 7   | June 17, 2022     | Wealth management products-金雪球穩利陸陸發                     | 70,000,000                              | 4.00                          | December 17, 2022  | Non-principal or return guaranteed with floating return | Note (b)         |
| 8   | June 22, 2022     | Wealth management products-Structured Deposits Products | 88,000,000                              | 3.65                          | September 22, 2022 | Non-principal or return guaranteed with floating return | Note (a)         |
| 9   | July 22, 2022     | Wealth management products-金雪球穩利玖玖利                     | 50,000,000                              | 3.60                          | October 22, 2022   | Non-principal or return guaranteed with floating return | Note (b)         |
| 10  | August 12, 2022   | Wealth management products-Structured Deposits Products | 83,000,000                              | 2.70                          | October 12, 2022   | Non-principal or return guaranteed with floating return | Note (a)         |
|     |                   | Total   | <u>718,748,000</u>                      |                               |                    |   |                  |

\* Certain Subscriptions were made with different branches of Industrial Bank.

Notes:

- (a) The relevant structured deposit products are linked structured deposit. The linked indicator is RMB/HKD exchange rate.
- (b) The relevant wealth management products invest in bank deposits and bonds. The investment in debt assets shall not be less than 80% according to relevant regulations.

## II. CHINA EVERBRIGHT BANK

| No. | Subscription Date | Product Name  | Principal Amount Subscribed<br>(in RMB) | Expected Annual Return Rate % | Maturity Date  | Type of Product   | Investment Scope |
|-----|-------------------|---|---|-------------------------------|----------------|---|------------------|
| 1   | February 21, 2022 | Wealth management products-Currency-Linked Investment | 81,275,000                              | 2.64                          | March 24, 2022 | Non-principal or return guaranteed with floating return | Note (a)         |
| 2   | February 24, 2022 | Wealth management products-Currency-Linked Investment | 81,889,790                              | 2.40                          | April 26, 2022 | Non-principal or return guaranteed with floating return | Note (a)         |

| No. | Subscription Date | Product Name  | Principal Amount Subscribed<br>(in RMB) | Expected Annual Return Rate % | Maturity Date     | Type of Product   | Investment Scope |
|-----|-------------------|---|---|-------------------------------|-------------------|---|------------------|
| 3   | March 24, 2022    | Wealth management products-Currency-Linked Investment | 81,615,814                              | 2.80                          | March 31, 2022    | Non-principal or return guaranteed with floating return | Note (a)         |
| 4   | March 31, 2022    | Wealth management products-Currency-Linked Investment | 40,550,500                              | 2.61                          | July 4, 2022      | Non-principal or return guaranteed with floating return | Note (a)         |
| 5   | April 1, 2022     | Wealth management products-Currency-Linked Investment | 40,542,000                              | 2.20                          | April 8, 2022     | Non-principal or return guaranteed with floating return | Note (a)         |
| 6   | April 6, 2022     | Wealth management products-光銀現金A-EB4395               | 30,000,000                              | N/A                           | N/A<br>Note (c)   | Non-principal or return guaranteed with floating return | Note (c)         |
| 7   | April 13, 2022    | Wealth management products-陽光金理財                      | 40,000,000                              | 4.00                          | March 20, 2023    | Non-principal or return guaranteed with floating return | Note (b)         |
| 8   | April 26, 2022    | Wealth management products-Currency-Linked Investment | 82,500,000                              | 3.76                          | May 26, 2022      | Non-principal or return guaranteed with floating return | Note (a)         |
| 9   | May 6, 2022       | Wealth management products-Currency-Linked Investment | 165,500,000                             | 3.74                          | August 9, 2022    | Non-principal or return guaranteed with floating return | Note (a)         |
| 10  | May 6, 2022       | Wealth management products-Currency-Linked Investment | 81,000,000                              | 3.31                          | August 9, 2022    | Non-principal or return guaranteed with floating return | Note (a)         |
| 11  | May 31, 2022      | Wealth management products-Currency-Linked Investment | 82,500,000                              | 2.97                          | September 2, 2022 | Non-principal or return guaranteed with floating return | Note (a)         |
| 12  | July 22, 2022     | Wealth management products-陽光金理財                      | 80,000,000                              | 3.80                          | October 20, 2022  | Non-principal or return guaranteed with floating return | Note (b)         |
| 13  | August 10, 2022   | Wealth management products-Currency-Linked Investment | 248,000,000                             | 2.70                          | October 12, 2022  | Non-principal or return guaranteed with floating return | Note (a)         |
|     |                   | Total   | <u>1,135,373,104</u>                    |                               |                   |   |                  |

\* Certain Subscriptions were made with different branches of China Everbright Bank.

*Notes:*

- (a) The relevant structured deposit products are linked structured deposit. The linked indicator is RMB/HKD exchange rate.
- (b) The relevant wealth management products invest in bonds, non-standardized debt assets, asset management products, etc.
- (c) The relevant wealth management products invest in bonds, non-standardized debt assets, asset management products, etc. This product can be redeemed at any time.

As of the date of this announcement, the aggregated outstanding principal amount of the Group's respective wealth management products and structured deposit financial products subscribed with Industrial Bank and China Everbright Bank was RMB441,000,000 and RMB480,500,000, respectively.

### **BASIS OF DETERMINATION FOR THE CONSIDERATION**

The Directors confirmed that the considerations of the Subscriptions were determined on the basis of commercial terms negotiated at arm's length between the Group and each of Industrial Bank and China Everbright Bank, having considered the then available surplus cash of the Company for treasury management purpose.

### **REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS OF THE INDUSTRIAL FINANCIAL PRODUCTS AND THE EVERBRIGHT FINANCIAL PRODUCTS**

Each of the wealth management and structured deposit financial products is characterized by its nature of convenient trading with satisfactory liquidity, and the Subscriptions were used by the Company for treasury management purpose in order to maximize its return on the surplus cash received from its business operations. The Group expects that the wealth management and structured deposit financial products will earn a better yield than current deposits generally offered by commercial banks in the PRC while at the same time offer flexibility to the Group in terms of treasury management. As such, the Directors (including independent non-executive Directors) are of the view that the terms of each of the relevant wealth management and structured deposit financial products are fair and reasonable, and are on normal commercial terms and each Subscription is in the interests of the Company and the Shareholders as a whole.

The Group implemented adequate and appropriate internal control procedures to ensure the Subscriptions would not affect the working capital or the operations of the Group, and that such investments would be conducted on the principle of protecting the interests of the Group 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 China Everbright Bank**

China Everbright Bank is a joint-stock company incorporated in the PRC with limited liability and an independent third party. China 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. China 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, China Everbright Bank and its ultimate substantial beneficial owners as publicly disclosed by China Everbright Bank are third parties independent of the Company and its connected persons.

### **Information on Industrial Bank**

Industrial Bank is a joint-stock company incorporated in the PRC with limited liability and an independent third party. Industrial 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. Industrial Bank is listed on the Shanghai Stock Exchange (Stock Code: 601166).

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

## **LISTING RULES IMPLICATIONS**

As each of the Industrial Financial Products and the Everbright Financial Products were subscribed with the same bank and are of similar nature, they would, in each case, during the relevant period be aggregated as if there were one transaction with that bank for the purpose of calculating the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules. As the highest applicable percentage ratio, on an aggregate basis, in respect of each of the Industrial Financial Products and the Everbright Financial Products during the relevant period exceeds 5% but is less than 25%, the Subscriptions constitute discloseable transactions of the Company for the purpose of the Listing Rules and are subject to the notification and announcement requirements but are exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

The Company should have complied with the relevant notification and announcement requirements under Rule 14.34 of the Listing Rules in respect of each of the Industrial Financial Products and the Everbright Financial Products as and when such obligations arose. The Company regrettably acknowledges that it has failed to timely comply with the Listing Rules due to its unintentional oversight. The Company's board of directors has always put great emphasis on the importance of complying with the Listing Rules and the risk assessment of its wealth management financial products. The failure to make timely disclosure was due to a change in personnel in the Finance Department which is responsible for overseeing the Company's wealth management and structured deposit financial products, resulting in certain inadvertent omission by the relevant staff in aggregating the wealth management and structured deposit financial products purchased from different branch offices of the same bank for the purpose of calculating the applicable size tests, thereby such transactions have not been brought to the attention of the Board as having exceeded the relevant announcement thresholds under the Listing Rules.

## **REMEDIAL ACTIONS**

The Company deeply regrets its non-compliance with the Listing Rules but it would like to stress that such non-compliance was inadvertent and unintentional. The Company has no intention to withhold any information relating to the Subscriptions from disclosure to the public. To prevent similar cases from occurring in the future, the Company has implemented the following remedial actions from September 2022:

1. the Company has conducted a comprehensive review and self-examination of the purchase of wealth management products and structured deposit financial products, and hereby makes this announcement on the purchase of the wealth management products and structured deposit financial products that should have been disclosed but were not previously disclosed;
2. the Company will strengthen the training provided to junior staff in the Finance Department and reinforce their existing knowledge relating to notifiable and connected transactions;
3. the Company will emphasize the importance of compliance with the Listing Rules and, with the assistance of its legal advisers, the Company will offer more regular training on the relevant requirements when aggregating similar wealth management and structured deposit financial product purchased from the same bank and will remind the responsible staff in the Finance Department, senior management and Directors of such requirements such that they can effectively identify circumstances which may potentially trigger an announcement obligation under the Listing Rules; and
4. the Company will strengthen the coordination and reporting arrangements for notifiable transactions within the Group by increasing automation to reduce human clerical error, enhancing its current IT system to put in place notification alerts for certain size test thresholds, strengthening second-level review and cross-checking of the calculation of the relevant size tests within the Accounting Department and arranging for a quarterly review by its Audit Committee of the Company's financial assets breakdown.

Going forward, the Company will continue to comply with the management procedures of its investments on wealth management and structured deposit financial products and make such disclosure in a timely manner to ensure compliance with 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  |
| “China 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   |
| “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 Financial Product(s)” | the wealth management and structured deposit financial products issued by China Everbright Bank and subscribed for by the Company 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  |
| “HKD”                             | Hong Kong dollars, the lawful currency of Hong Kong   |
| “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   |
| “Industrial Bank”                 | Industrial Bank Co., Ltd., 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   |

|                                   |   |
|-----------------------------------|---|
| “Industrial Financial Product(s)” | the wealth management and structured deposit financial products issued by Industrial Bank and subscribed for by the Company which in aggregate constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules, and an “Industrial Financial Product” shall mean each and any one of them |
| “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 of the PRC and Taiwan   |
| “RMB”                             | Renminbi, the lawful currency of the PRC  |
| “Shareholder(s)”                  | the holder(s) of the Company  |
| “Stock Exchange”                  | The Stock Exchange of Hong Kong Limited   |
| “Subscriptions”                   | the subscriptions by the Company of the Everbright Financial Product and the Industrial Financial Product   |

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

Hong Kong, September 2, 2022

*As at the date of this announcement, the executive Directors are Mr. ZHOU Fuyu, Mr. ZHANG Yuchen and Mr. WEN Yong; the non-executive Director is Mr. PAN Pan; and the independent non-executive Directors are Mr. CHAN Kam Ching, Paul and Mr. LU Weidong and Mr. CHEN Chen.*