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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)

Profit Warning

This announcement is made by Zhou Hei Ya International Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong).

The board (“**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on its preliminary assessment of the Group’s unaudited consolidated management accounts for the six months ended June 30, 2020 (the “**Reporting Period**”) and information currently available to the Board, it is expected that the revenue for the Reporting Period would decrease by approximately 45% as compared with that of the corresponding period in 2019, and the net loss attributable to owners of the Company for the Reporting Period would range from RMB42.0 million to RMB50.0 million (net profit attributable to owners of the Company for the corresponding period in 2019 was RMB224.1 million). Such decreases were primarily due to: the significant impact on the operations of the Group, particularly the Group’s operations in the Hubei region, being the center of the outbreak, since January 2020 caused by the outbreak of the 2019 Novel Coronavirus (the “**COVID-19 outbreak**”) and the subsequent disease prevention measures as well as restrictions on places with consumption activities imposed by the regional governments in China. As disclosed in the voluntary announcement of the Company dated February 11, 2020 (the “**Voluntary Announcement**”), the Group’s operations were substantially disrupted by the COVID-19 outbreak. In order to curb the spread of the outbreak, the Group suspended its production activities in Central China and temporarily closed around 1,000 stores nationwide in compliance with the relevant guidelines and requirements for epidemic prevention and control.

The Group has strictly abided by the relevant regulations of the national and regional governments of China and has invested a certain amount of costs in epidemic control and prevention to ensure the safety of its employees and customers and the resumption of normal operation and production activities. The Group also actively undertook more social responsibilities by donating over RMB10.0 million and materials to the front line of the fight against COVID-19. Following the Voluntary Announcement and up to the date of this announcement, a majority of the Group's temporarily closed retail stores have been reopened. Production activities in its Central China processing facility have also been re-launched. The overall operation of the Group's is also continuously improving. However, the recovery of passenger flow in Hubei and transportation hub areas is slow, and the recovery of store customer flow is lower than expected.

The Group has been paying close attention to the development of the COVID-19 outbreak and continuously reviewing its response measures. These measures include actively developing franchise cooperation, developing new retail modern supermarket channels, launching new products, expanding online sales channels, promoting convenient takeout and group purchase services and implementing active measures to reduce rents, labor and other operating costs so as to ensure that the Group's cash flow is stable and it is in good cash position.

Since it is unclear when the COVID-19 outbreak will be fully under control and economic activities are being pressured to slow down, the degree and time of recovery of the Group's operations remain uncertain.

As the results for the Reporting Period have not been finalized, the information contained in this announcement is only a preliminary assessment by the Board based on information currently available including the unaudited consolidated management accounts of the Group for the Reporting Period, which have not been confirmed, reviewed or audited by the auditor of the Company.

The interim results announcement of the Company for the Reporting Period is expected to be published by the end of August 2020 in compliance with the requirements under the Listing Rules.

Shareholders and potential investors are advised to exercise cautions when dealing in the shares of the Company.

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

Hong Kong, July 30, 2020

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