

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)

DISCLOSEABLE TRANSACTION ESTABLISHMENT OF INVESTMENT PARTNERSHIP

As a leading casual food company in the industry, in order to seize the future development opportunities in the big consumption industry in China, focus on investment opportunities in the consumer sectors and facilitate the diversified external growth of the Company, Chusi Fangda (an indirect wholly-owned subsidiary of the Company) and Shenzhen Tiantu, each as a limited partner, entered into the Partnership Agreement with Tiantu Capital (as the general partner) on September 9, 2021 to establish the Partnership, namely Changsha Tiantu Xingzhou Venture Capital Partnership (Limited Partnership)* (長沙天圖興周創業投資合夥企業(有限合夥)), which is subject to the approval of the registration department for industry and commerce in the PRC, with a size of RMB3 billion in Changsha, Hunan Province, the PRC as an investment platform. The Partnership will focus on making investments in high-quality markets which may bring synergy to and generate incremental effect in the Group's principal business, as well as fast-growing industries such as new retail and new consumption, so as to develop the second growth curve of the Group, integrate industrial resources and enhance the Group's position and influence in the industry to prepare for its sustainable development.

LISTING RULES IMPLICATION

As the highest applicable percentage ratio (within the meaning of Rule 14.07 of the Listing Rules) in respect of the transaction contemplated under the Partnership Agreement exceeds 5% but is less than 25%, the establishment of and the investment in the Partnership pursuant to the Partnership Agreement constitute 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.

The Partnership and its investments may or may not generate economic return in short term and hence, entering into the Partnership Agreement and the investment in the Partnership may or may not bring profit to the Group. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

INTRODUCTION

The Board is pleased to announce that, on September 9, 2021, Chusi Fangda (an indirect wholly-owned subsidiary of the Company) and Shenzhen Tiantu, each as a limited partner, entered into the Partnership Agreement with Tiantu Capital (as the general partner) to jointly establish the Partnership pursuant to the Partnership Agreement.

ESTABLISHMENT OF THE PARTNERSHIP

Date: September 9, 2021

Parties: Tiantu Capital, as the general partner

Chusi Fangda and Shenzhen Tiantu, as the limited partners

Total capital contribution: The total amount of capital contributions to the Fund is RMB3 billion.

Consideration and payment: The initial amount of capital contributions subscribed by all partners is RMB1 billion, which shall be contributed in cash. The details are as follows:

Partner	Type	Subscribed amount (RMB billion)	Attributable percentage
Tiantu Capital	General partner	0.01	1%
Shenzhen Tiantu	Limited partner	0.49	49%
Chusi Fangda	Limited partner	0.50	50%
		1	100%

The open period for subscription is 12 months commencing from the establishment date of the Partnership (the “**Open Period**”), during which the General Partner may accept (i) new partner(s) to subscribe for capital contribution to the Partnership or (ii) existing partner(s) to increase its/their amount of capital contribution to the Partnership.

The Open Period will end early on the day when the total amount of capital contribution to the Partnership reaches RMB3 billion. By the end of the Open Period, if the total amount of capital contribution to the Partnership is less than RMB2 billion, each Limited Partner has the right, but is not obliged, to subscribe for the remaining RMB2 billion of capital contribution. The General Partner shall ensure that the total amount of subscribed capital contribution will be not less than RMB2 billion by the end of the Open Period.

Chusi Fangda has no obligation and currently has no intention to subscribe for any amount of the remaining RMB2 billion of capital contribution to the Partnership.

The capital contribution of the partners to the Partnership shall be paid in cash in two instalments with respective proportion of 50% and 50%. The first 50% of subscribed capital contribution shall be paid in cash on the initial payment date as stated in the contribution payment notice to be issued by the General Partner. The remaining 50% of subscribed capital contribution shall only be paid in cash on or before the payment date as notified by the General Partner when not less than 75% of the amount of the first instalment of paid-in capital contribution has been used for project investments and/or payment of partnership fee.

The capital contribution to the Partnership was arrived at after arm's length negotiations among the parties on normal commercial terms with reference to the anticipated capital requirement of the Partnership.

The capital contribution paid by Chusi Fangda is intended to be funded by internal capital of the Group.

The investment in the Partnership will be classified as investments in associates.

Investment scope and strategies:

Through analysis of industrial policies and judgment on industry development trends, the Partnership will make strategic investments focusing on fast-growing industries such as new consumption and new food industries, with major investment scope covering new consumer sectors including but not limited to the new dining model, as well as retail and chain stores of beverages and casual food.

The investment method shall mainly be equity investment through the subscription of the additional issued capital, subscription of convertible bonds or equity transfer. The investment amount of each investment project or entity shall not exceed 20% of the total amount of subscribed capital contribution to the Partnership unless otherwise approved at the partners' meeting.

Under the Partnership Agreement, the Partnership is not permitted to, among other things:

- engage in business providing guarantees, charges or entrusted loans;
- invest in secondary market stocks;
- make sponsorships or donations to any third parties;
- make external investments with unlimited joint liability; or
- raise funds by issuing trusts or collection of wealth management products.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Partnership currently has no proposed investment targets.

Subsisting period:

The initial term of the Partnership is seven years (the “**Subsisting Period**”), commencing from the date of the establishment of the Partnership and may be extended upon approval at the partners' meeting, provided that the Subsisting Period shall not exceed nine years. The investment period of the Partnership (the “**Investment Period**”) is the first four years of the Subsisting Period and the remaining period after the Investment Period shall be the exit period (the “**Exit Period**”).

During the Exit Period, the Partnership shall not engage in any new investment activities, except in the case where (i) binding agreement(s) in respect of the investment(s) have been executed during the Investment Period or (ii) such investment(s) have been approved in the partners' meeting.

Fund management:

Tiantu Capital shall be the executive partner of the Partnership (the “**Executive Partner**”). The Executive Partner shall act on behalf of the Partnership, be responsible for the daily management and operation of the Partnership, and manage the Partnership pursuant to the Partnership Agreement.

All investment decisions of the Partnership shall be approved by three-quarters of members of the strategic investment committee (the “**Strategic Investment Committee**”) and the majority of members of the fund investment committee as agreed between Tiantu Capital and Chusi Fangda. The Strategic Investment Committee shall consist of four committee members, three of which shall be nominated by Tiantu Capital and one of which shall be nominated by Chusi Fangda.

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.

The Limited Partners shall take no part in execution of the Partnership’s affairs other than as set forth in the Partnership Agreement or as otherwise agreed among the parties, and shall not represent the Partnership.

Management fee:

In consideration of the management of the Partnership and other related services, Tiantu Capital (as the fund manager) shall be entitled to an annual management fee of (i) 2% of the total amount of subscribed capital contribution during the Investment Period, and (ii) 2% of the total amount of subscribed capital contribution less the amount of investment principal of exited projects during the Exit Period.

Distribution of profit:

The distributable proceeds of the Partnership shall be distributed in the following order:

- (1) the distributable proceeds shall be first distributed to all partners (in proportion to their respective paid-in capital contribution) until each of them has received an amount equals to its aggregate paid-in capital contribution;
- (2) the balance (if any) shall be distribute to all partners (in proportion to their respective paid-in investment days and paid-in capital contribution) until each of them has achieved a pre-tax annualized rate of return of 8% on simple interest basis (the “**Hurdle Return**”);
- (3) the balance (if any) shall be distributed to the General Partner until the General Partner has received 25% of the Hurdle Return paid to all partners; and

- (4) the balance (if any) shall be distributed to all partners (in proportion to their respective paid-in investment days and paid-in capital contribution) and the General Partner at the ratio of 80:20. In case the amount of aggregate return derived from the investments of the Partnership is more than three times of the paid-in capital contribution to the Partnership, the balance (if any) shall be distributed to all partners (in proportion to their respective paid-in investment days and paid-in capital contribution) and the General Partner at the ratio of 70:30.

Neither the Partnership nor the General Partner guarantees the value of capital contribution made or a minimum return on the capital contribution.

Loss Sharing:

The Limited Partners shall be responsible for all liabilities of the Partnership only to the extent of their respective subscribed capital contributions under the Partnership Agreement. The General Partner shall be liable for all liabilities of the Partnership with unlimited joint liability.

GENERAL INFORMATION ON THE PARTIES

Information on the Company

The Company is an investment holding company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange. The Group is a leading brand in the fast-growing casual braised food industry in the PRC, and produce, market and retail casual braised food, in particular, braised ducks and duck part products.

Information on Tiantu Capital and Shenzhen Tiantu

Tiantu Capital is a limited partnership established on April 18, 2012 under the laws of the PRC. It is principally engaged in asset management, investment consultation, equity investment and investment management. According to publicly available information, Tiantu Capital is a private fund manager registered with the Asset Management Association of China. As at the date of this announcement, it has invested in and has managed nearly 180 entities in consumption industry, with total assets under management amounting to approximately RMB20 billion. Tiantu Capital is wholly owned by Shenzhen Tiantu.

Shenzhen Tiantu is a limited company established on January 11, 2010 under the laws of the PRC, the shares of which are listed on the National Equities Exchange and Quotations (stock code: 833979) in the PRC. It is principally engaged in equity investment management with a focus on consumer sectors in the PRC. Shenzhen Tiantu is managed by Mr. Wang Yonghua (“**Mr. Wang**”), who is also the executive partner of Tiantu Capital. As at the date of this announcement, the sole controlling shareholder of Shenzhen Tiantu is Mr. Wang, who is interested in approximately 43.71% of equity interest in Shenzhen Tiantu.

The management team of Tiantu Capital has extensive experience in investment industry and possesses in-depth knowledge in the business and financial professions, and is equipped with professional knowledge and resources in consumption, technology and life science industries.

Biographies of key management members of Tiantu Capital are set out below:

Mr. Pan Pan (“Mr. Pan”)

Mr. Pan Pan is a managing partner and venture capital fund managing partner of Tiantu Capital, as well as a non-executive director of the Company. He has over 11 years of experience in investment with a focus on consumption industry. Mr. Pan previously worked at Guoxin Hongsheng Venture Investment Co., Ltd. (國信弘盛創業投資有限公司) as deputy investment director. He also led the investment projects in various brands, such as Zhou Hei Ya (周黑鴨), Nayuki (奈雪的茶), Sexy Tea (茶顏悅色), Pagoda (百果園), Xiaoguo Culture (笑果文化), Saturnbird (三頓半), Wonderlab and Starlink. Mr. Pan obtained a bachelor’s degree in currency banking and a master’s degree in finance from Hunan University.

Mr. Wei Guoxing (“Mr. Wei”)

Mr. Wei is a partner of Tiantu Capital. He has over 10 years of experience in investment with a focus on planning and execution of investments across consumption, retail and medical industries. He participated in and led the investment projects in various brands, such as Aihuishou (愛回收), Nayuki (奈雪的茶), Pagoda (百果園), Chicecream (鍾薛高), Scentlibrary (氣味圖書館), Weiwenzhen (微問診), Distinct HealthCare (卓正醫療) and LenzTech (朗鏡科技). Mr. Wei obtained a bachelor’s degree in biology and a master’s degree in management from Peking University.

Mr. Li Kanglin (“Mr. Li”)

Mr. Li is a partner of Tiantu Capital. He has over 18 years of experience in equity investment and investment management with a focus on consumption industry. Prior to his current position, Mr. Li was previously a senior associate of investment bank division of Orient Securities Company Limited* (東方證券股份有限公司) (a company listed on the Stock Exchange (stock code: 3958)) and managing director of investment bank division of Sinolink Securities Company Limited (國金證券股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 600109)). He led the investment projects in various brands, such as Aihuishou (愛回收), Baospastry (鮑師傅), Fansaoguang (飯掃光) and Crazydoggy (瘋狂小狗). Mr. Li obtained Executive Master of Business Administration (EMBA) degree from China Europe International Business School and Cheung Kong Graduate School of Business.

Information on Chusi Fangda

Chusi Fangda is a limited company established on January 12, 2018 under the laws of the 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.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Tiantu Capital, Shenzhen Tiantu and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF ENTERING INTO THE PARTNERSHIP AGREEMENT

The Company is a Chinese leading brand and retailer of braised food with its products welcomed by consumers of different regions in China. The Group continuously promotes the “self-operation + franchise” business model, develops online-and-offline (O&O) business, extends into scenarios covering community consumption and near-field retail consumption, and further explores the diversified channels strategy.

The Company is of the view that the investment outlook in the new consumer sectors and strategic emerging industries, including but not limited to consumption and technology industries, would be assuring and likely to flourish in the future. The Company regards the Fund as a platform for the Company to invest in high-quality Chinese consumer brands of the new generation. The Company considers that Tiantu Capital’s professional investment experience in the consumer sectors will assist and support the Company’s industrial synergy and strategic integration. The Fund will focus on high-quality markets which may generate incremental effect in the Group’s principal business, and will explore projects which may bring synergy to the Group’s product categories, commercial resources, supply chain and big data. By capturing more potential opportunities in mergers and acquisitions through strategic investments, the Fund helps establish foundation for the Group’s external growth and develop its second growth curve.

As mentioned above, the key management members of Tiantu Capital are professionals with extensive experience and knowledge in equity investment and investment management. The participation in the Partnership enables the Group to leverage our industrial advantages and the expertise of Tiantu Capital and its management team to generate economic return through effective and efficient investment decisions by the Partnership, and create synergy among the partners of the Partnership, investee companies and the Group’s existing business.

As Mr. Pan is a managing partner and venture capital fund managing partner of Tiantu Capital, he has abstained from voting on the Board resolution approving the Partnership Agreement.

In light of the above, the Directors (including the independent non-executive Directors but excluding Mr. Pan who has abstained from voting) are of the view that the terms of the Partnership Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATION

As the highest applicable percentage ratio (within the meaning of Rule 14.07 of the Listing Rules) in respect of the transaction contemplated under the Partnership Agreement exceeds 5% but is less than 25%, the establishment of and the investment in the Partnership pursuant to the Partnership Agreement constitute 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.

The Partnership and its investments may or may not generate economic return in short term and hence, entering into the Partnership Agreement and the investment in the Partnership may or may not bring profit to the Group. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Board”	the board of Directors
“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”	Hubei Chusi Fangda Investment Co., Ltd.* (湖北楚思方達投資有限公司), a limited company established under the laws of the PRC on January 12, 2018 and an indirect wholly-owned subsidiary of the Company, being one of the limited partners of the Partnership
“connected person”	has the meaning ascribed thereto in the Listing Rules
“controlling shareholder”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	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
“Limited Partner(s)”	limited partner(s) of the Partnership
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Partnership” or “Fund”	a limited partnership to be established under the laws of the PRC pursuant to the Partnership Agreement under the proposed name of Changsha Tiantu Xingzhou Venture Capital Partnership (Limited Partnership)* (長沙天圖興周創業投資合夥企業(有限合夥))

“Partnership Agreement”	a partnership agreement dated September 9, 2021 and entered into among Tiantu Capital (as the general partner), Chusi Fangda and Shenzhen Tiantu (each as a limited partner) in relation to the establishment of the Partnership
“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
“Shenzhen Tiantu”	Tian Tu Capital Co., Ltd. (深圳市天圖投資管理股份有限公司), a limited company established under the laws of the PRC on January 11, 2010, the shares of which are listed on the National Equities Exchange and Quotations (stock code: 833979) in the PRC, being one of the limited partners of the Partnership
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tiantu Capital” or “General Partner”	Shenzhen Tiantu Capital Management Centre (Limited Partnership)* (深圳天圖資本管理中心(有限合夥)), a limited partnership established under the laws of the PRC on April 18, 2012, being an indirect wholly-owned subsidiary of Shenzhen Tiantu, and the general partner and the fund manager of the Partnership
“%”	per cent

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

Hong Kong, September 9, 2021

As at the date of this announcement, Mr. ZHOU Fuyu, Mr. ZHANG Yuchen and Mr. WEN Yong 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.

* *For identification purpose only*