



Zhou Hei Ya International Holdings Company Limited  
周黑鴨國際控股有限公司





## Newsletter (4<sup>th</sup> quarter) December 2019

### 1. Signed the first batch of franchisees; Guiyang operating team ready

On 18 November, 2019, Zhou Hei Ya International Holdings Company Limited (the “Company”) held a franchise press conference in its headquarters Wuhan, where it signed a franchise agreement with Guangxi Minghe Food Co., Ltd. A series of support guarantees such as production capacity enhancement, a mature quality control system and the expansion of professionals are the key to launching a franchise at this time. As of now, the Company has already signed franchise agreements with partners in Guiyang , Guizhou and Nanning , Guangxi.



In 2019, the Company, embarking on its third entrepreneurship journey, has adjusted its development strategies and reformed its business model. Under both conventional and franchise operations, the Company welcomes bright development opportunities where it achieves complementary advantages by fully complementing its franchisees’ local resources by its products and brand powers, so as to create higher value and offer consumers more channels for purchasing the Company’s products.

## 1. Signed the first batch of franchisees; Guiyang operating team ready

The operating team for Guiyang, among the first batch of the Company's franchise markets, has in the Company's Shenzhen subsidiary received training on the operating system, which combines lectures and shop patrol practice and comprehensively deepens the team's service spirit, in order to ensure that participants grasp the standard operational skills and lay a solid foundation for the smooth development of the Company's franchises.





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### 2. Company actively expands product layout, with sales of non-spicy series extended nationwide

The Company has always adhered to its brand and high-quality concepts and continuously pushed for product innovation to suit consumers' different preferences for flavors. After five months' research and development and more than 1,000 experiments, the Company in August launched series of non-spicy products such as Duck Paws and Duck Wings in Southern China. Because of the good market performance, the non-spicy products will be available across China from mid-October.

#年轻至汕，无潮不浪# 妈呀妈呀，发现一个超级好吃的东东，周黑鸭的秘制黑鸭太好吃了，一定要吃不辣系列，口感真的太好了，回味无穷啊，吃不够。



To satisfy consumers' diverse needs for snacks, the Company has once again actively expanded its product layout by rolling out Meaty Sausages, as well as "Zhou Xiao Ban (周小伴)" series of snacks including Dried Mango and Peas through its online sales channels.

### 3. Double 11, double 12: Multiple platforms, new products and outstanding performance

Actively exploring new consumption models, the Company follows the modern trend of selling products through live video, selling products through the way that Celebrities recommend by Live. This measure greatly boosted the sales by E-commerce



Also, on both double 11 and double 12, the Company achieved satisfactory sales through ways such as launching new products and covering multiple platforms. On double 11, the Company attract consumers by launching new snacks packed in gift boxes such as dried mango, broad beans and peas, and achieved considerable year-on-year growth in sales on platforms (e.g. Chaoshi.tmall.com, Vipshop, Suning.com and Global Scanner) other than self-operated channels – T-mall and JD.com.

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#### 4. Receives wide attention for its franchise model, strengthens communication with capital market

Since commencing its franchise strategies and signing franchise agreements, the Company has for times received positive reviews by stock analysts and met enthusiastic response from the market. To enhance communication with investors and keep them more updated about the Company's latest, the Company on 19 November 2019 organized a research tour of itself for nearly 20 institutional investors, where they toured a phase-I factory in Wuhan City and conducted deep exchanges with the Company's management, deepening their understanding and recognition of the Company.





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Zhou Hei Ya International Holdings Company Limited is a leading brand and retailer of casual braised food in China that offers products popular in various Chinese regions. While continuing to focus on its business model emphasising the development of self-operated retail shops and online channels, the Company will actively explore new business models and multi-pronged strategies. Its brand philosophy of “More Entertainment, More Fun” attributes distinct brand qualities to traditional braised food products to better accommodate and meet consumers’ emotional consumption needs while satisfying their conventional needs for snacks in the new era, such as quality, taste and convenience. The Company was listed on the Main Board of the Hong Kong Stock Exchange on 11 November 2016, and included as one of the constituent stocks of the Hang Seng Composite LargeCap & MidCap Index on 6 March 2017 – becoming a security eligible for trading through the Stock Connect. It has also been incorporated into the MSCI China Small Cap Index since 28 May 2019.

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