

**ZHOU HEI YA INTERNATIONAL HOLDINGS COMPANY LTD:
THIS COMPANY MAY WELL HAVE
A BRIGHT FUTURE FOR SOME YEARS TO COME**

Since trading in the shares of Zhou Hei Ya International Holdings Company Ltd () (Code: 1458, Main Board, The Stock Exchange of Hongkong Ltd) commenced last Friday (November 11, 2016), it does appear that this casual braised food operator in the People's Republic of China (PRC) has, definitely, not caught the fancy of investors of the Hongkong Special Administrative Region (HKSAR) of the PRC.

This may seem somewhat of an anomaly to many hard-nosed, business people who trade in stocks and shares, listed on equity markets, considering the growth of this Company, during the 42-month, track-record period, ended June 30, 2016.

Further, comparing this Company to the puny and inconsequential restaurant companies that have had the chutzpah, recently, to go public on the secondary equity market of the HKSAR, Zhou Hei Ya International stands out as a perfectly polished, brilliant-cut, 10-carat diamond, lying atop a mound of mud.

The Global Offering of Zhou Hei Ya International Holdings Company Ltd

Zhou Hei Ya International Holdings Company Ltd pitched a Global Offering of 424,470,000, \$US0.000001 Shares at the Indicative Offer Price Per Share, ranging from a low of \$HK5.80 to a high of \$HK7.80.

HKSAR Investors were Offered 42,447,000 Shares and International Investors were Offered 382,023,000 Shares.

On November 10, 2016 (last Thursday), Management of Zhou Hei Ya International announced that the Offer Price Per Share had been struck at \$HK5.88 – just eight cents higher than lowest, acceptable level of the Indicative Offer Price.

Be that as it may, the Company still added \$HK2,370,000,000 to its coffers, that amount of money, being the estimated net proceeds of the Global Offering after all expenses with regard to this flotation had been taken into account.

Such a material amount of money is, certainly, not to be scoffed at by any token.

The HKSAR, Offer Tranche of 42,447,000 Shares was undersubscribed, representing about 0.81 times (34,428,500 Shares) of the total number of shares available.

As for the International Offer Tranche of 382,023,000 Shares, Management announced that it had been '*moderately over-subscribed*'.

According to the Allotment Results Announcement, the net proceeds of the Global Offering are intended to be used as follows:

- Approximately, 35 percent, that is about \$HK829.50 million, '*will be used for development of processing facilities, logistics and storage centers*';
- Approximately, 15 percent, that is about \$HK355.50 million, '*will be used for investments*

in our self-operated retail store network by upgrading existing stores and opening new stores’;

- Approximately, 12 percent, that is about \$HK284.40 million, ‘*will be used for implementation of our branding and marketing strategies, including expansion of our e-commerce team and online channels and brand image campaigns and sponsorships to enhance our brand recognition’;*
- Approximately, 10 percent, that is about \$HK237.00 million, ‘*will be used for enhancing our research and development capabilities, including developing new products and developing and upgrading our processing and packaging technologies’;*
- Approximately, 10 percent, that is about \$HK237.00 million, ‘*will be used to pursue prudent acquisitions and further develop strategic alliances. We plan to further enhance our control over the production value chain and deepen our vertical integration by selectively acquiring or partnering with high-quality raw material suppliers to secure supply and ensure quality of key raw material’;*
- Approximately, eight percent, that is about \$HK189.60 million, ‘*will be used for upgrading our information technology infrastructure, including upgrade of our ERP (Enterprise Resource Planning) system, establishment of our big data infrastructure and analysis systems and integration of our membership programs across online and offline sales channels’;* and,
- Approximately, 10 percent, that is about \$HK237.00 million, ‘*will be used for general replenishment of working capital in order to improve our liquidity.’*

The Business of Zhou Hei Ya International Holdings Company Ltd

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