



2022 Annual Results Announcement

Zhou Hei Ya International Holdings Company Limited

April 2023

2023
有味
有滋
加油
干



Disclaimer

This presentation and the accompanying slides (the “Presentation”) have been prepared by Zhou Hei Ya International Holdings Limited (“Zhou Hei Ya” or the “Company”) solely for information purposes.

This Presentation does not constitute or form part of and should not be construed as, an offer or invitation to acquire, purchase or subscribe for any securities of the Company nor is it intended to invite any such offer or invitation nor shall it constitute any offer or sale of such securities in any jurisdiction. No part of this Presentation shall form the basis of or be relied upon in connection with any investment decision, contract or commitment whatsoever.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, on the truthfulness, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. The Company reserves the right to amend or update all or any part of this Presentation at any time, but the Company shall not be under any obligation to provide the recipients of this Presentation with any such amended or updated information or correct any inaccuracies herein unless otherwise required by the Rules Governing The Listing of Securities on The Stock Exchange of Hong Kong Limited or any applicable law.

This Presentation may not be all-inclusive and may not contain all of the information that you may consider material. Neither the Company nor any of its affiliates or representatives make any representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein or any other written or oral communication transmitted or made available to any recipient. The Company and its affiliates and representatives expressly disclaim any and all responsibility or liability based, in whole or in part, on any of the information contained herein, errors herein or omissions here from. In all cases, interested parties should conduct their own investigations and analyses of the Company, its businesses, assets, financial conditions and prospects, and of the information set forth in this Presentation.

This Presentation contains statements that reflect the Company's intentions, beliefs or expectations about the future or future events (the “forward-looking statements”). These statements are based on a number of assumptions about the Company's operations, its future development plans, market (financial and other) conditions, growth prospects and certain plans and objects of the management of the Company, and are subject to significant risks, uncertainties and other factors beyond the Company's control, and accordingly, actual results may differ materially from these forward-looking statements. You should not take any forward-looking statements contained in this Presentation regarding past trends or activities as a representation that such trends or activities will continue in the future. The Company expressly disclaims any obligation to update these forward-looking statements.

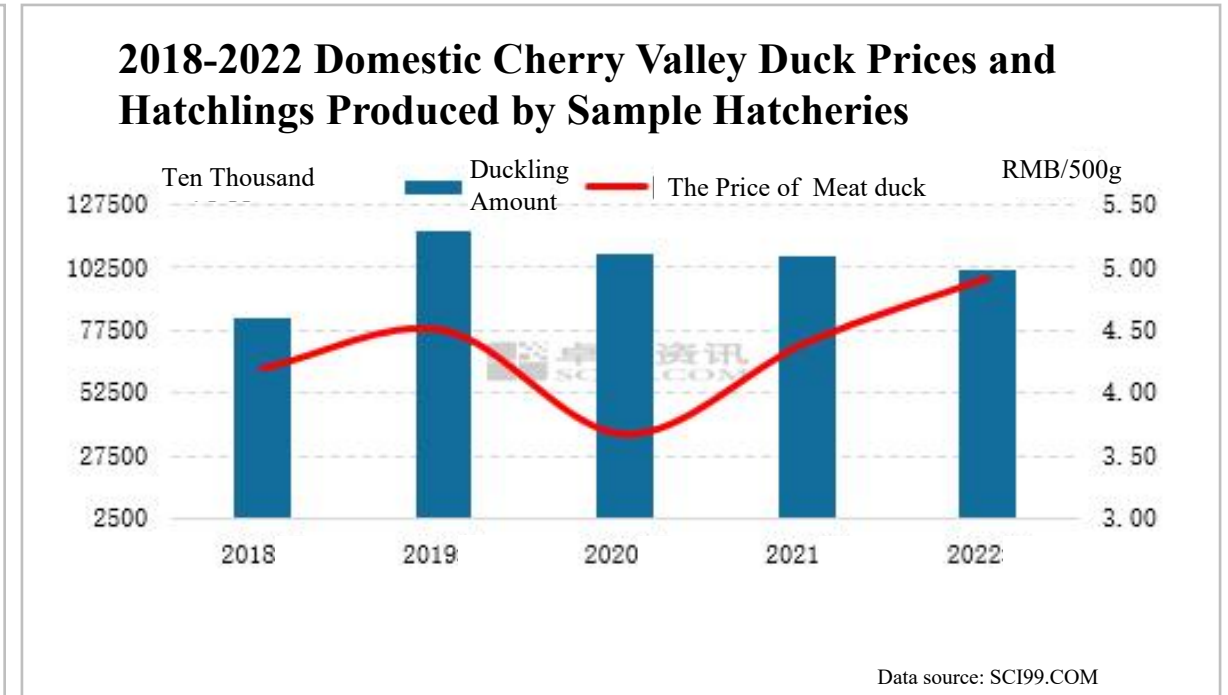
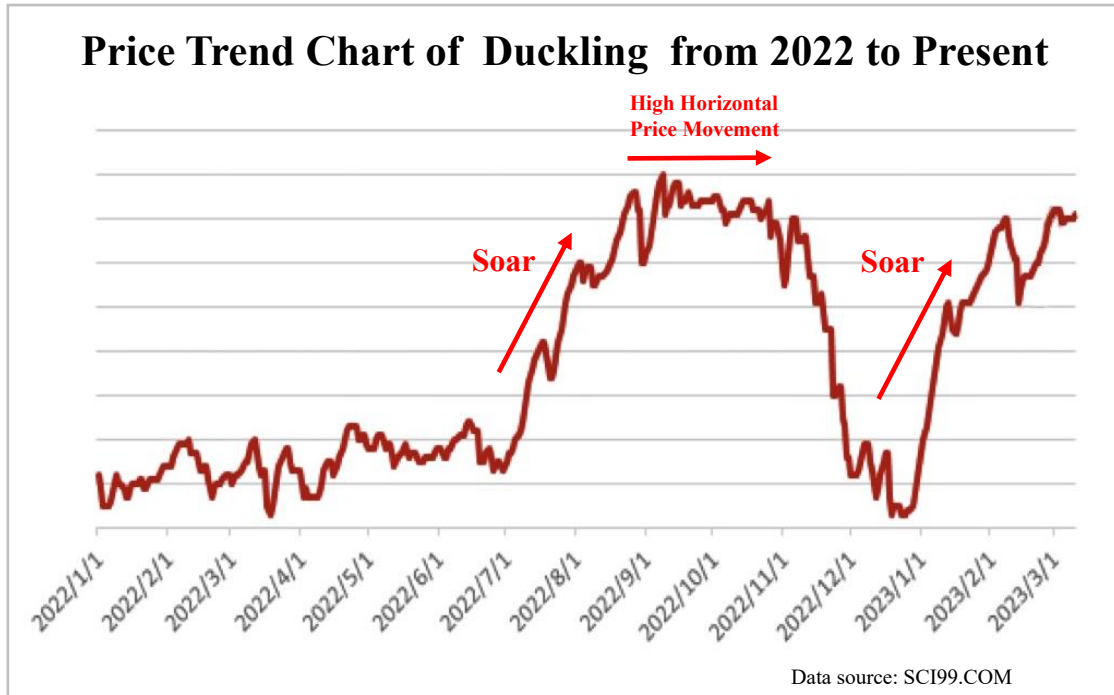


Results Overview

Strategy Review

Outlook





- The price of duckling **soared by 300%** in a short period from July to September in 2022 and remained high until the end of November, **lasting for 4-5 months**
- The price of duck had been continuously rising since 2020 and had reached a historical high.



Key Financial Highlights

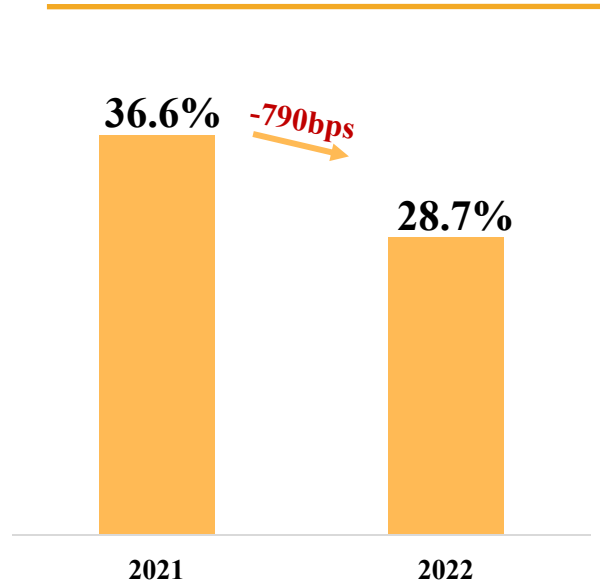
Financial Summary

	2021 (RMB Thousand)	2022 (RMB Thousand)	21-22 YoY Growth
Revenue	2,869,963	2,343,353	-18.3%
Gross profit	1,658,393	1,289,484	-22.2%
Profit before tax	450,990	54,731	-87.9%
Profit for the year attributable to owners of the Company	342,424	25,283	-92.6%
Net cash flows from operating activities	539,834	467,639	-13.4%
Total No. of retail stores	2,781	3,429	+648
Including: No. of self-operated retail stores	1,246	1,446	+200
No. of franchised retail stores	1,535	1,983	+448



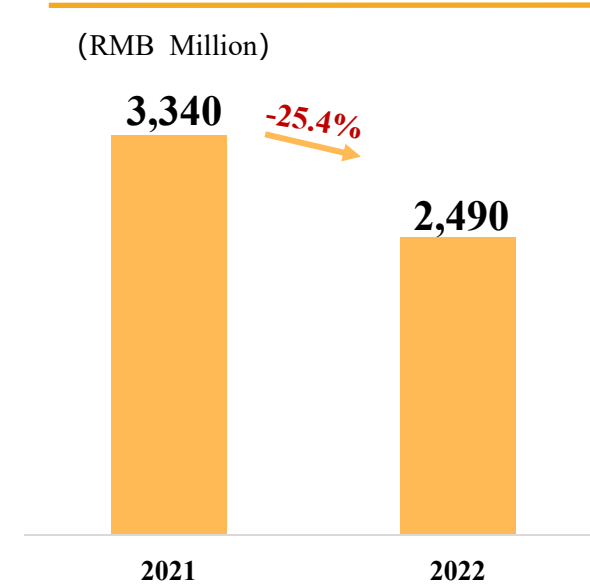
Result Review

Asset-liability Ratio



Available Cash*

(RMB Million)



*Include: Restricted cash, Cash in transit, Cash and bank balances, Other financial assets at fair value through profit or loss, Structured deposits



Results Overview

Strategy Review

Outlook





O&O Channels
23.8%



O&O Channels
32.0%



O&O Channels
32.3%



2023 有味 有滋 有油 有平



I. Franchise Business--More Attractive Single-Store Model

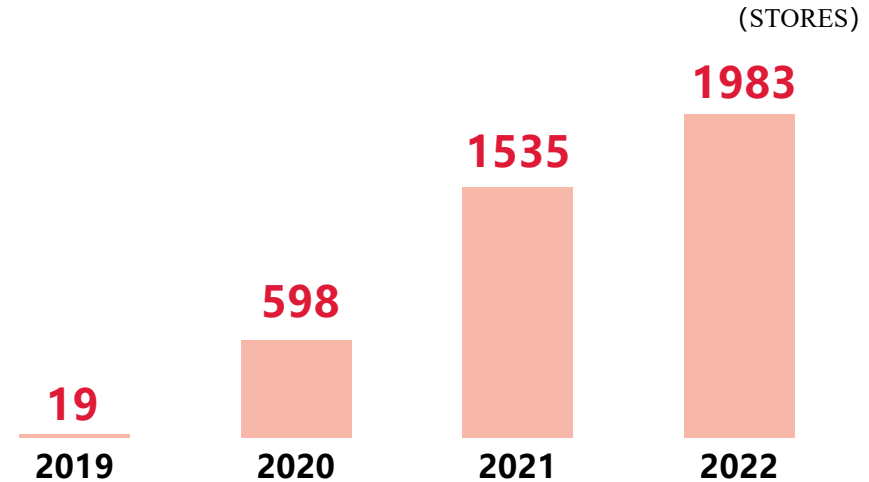
Light Investment and Flexible Model
All-Around Empowerment



- ◆ Entry Franchise Fees: “3+2” Installment
- ◆ Deposit: 10k
- ◆ Decoration and Equipment: 40k-60k

Initial Investment*: 80k-100k

The Number of Franchised Stores Keep Increasing



Nearly **70%** Of New Franchised Store
Belongs to Existed Franchisee

*The average store area is 15 m²; Excluding store rent and labor costs.



The Gross Sales of Community Store

Nearly 800 Stores

RMB 430 Million

✓ **Cover 109 Cities Nationwide**

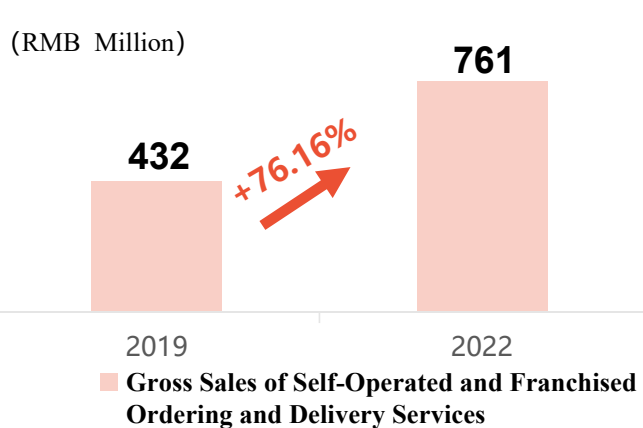
✓ **100,000+ Urban Communities Nationwide for Expansion**



II. Omni-channel and Multi-scenario Coverage For Consumers

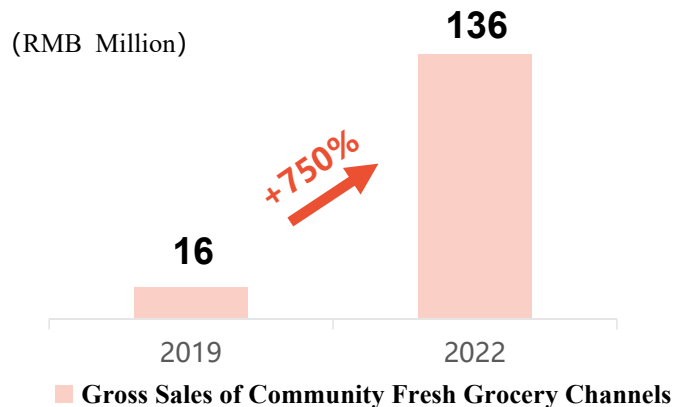
Ordering and Delivery Business

Best terminal sales on top Platforms



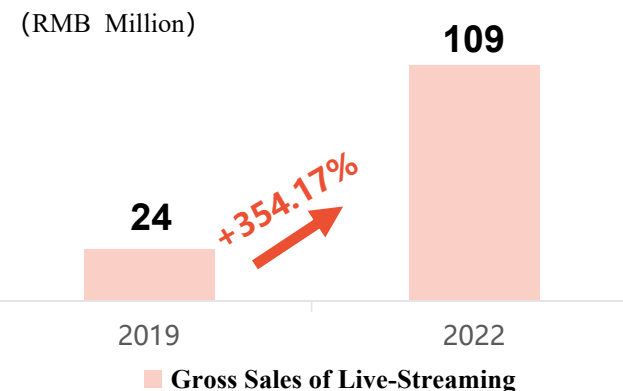
Community Fresh Grocery Platforms

Deeply Cultivate the top Platforms, Industry Leading



Live-streaming

Establish “ KOL live streaming + Company live streaming+ Selective Alliance ”matrix



III. New Pop-ups, All-round Marketing

Gross Sales of
Pop-up Crayfish-ball
Exceeding 230 Million



The Marketing Videos viewd
390 Million Times





Duck Neck Price Trend From 2019 to 2022



- **Combined with the impact of an increased share of Franchisees, the OCM system showed results with a slight decline in GPM**

Quick Win Cost Reduction Matrix

Accurate and Dynamic Procurement Decision

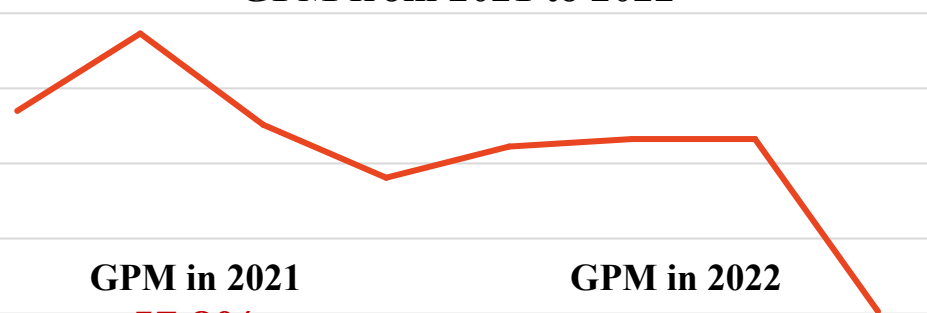
Increase the Yield of Individual Items

Optimising the Product Mix

Agile and Flexible Supply

Digital Intelligent Warehouse Route

Lean Management



GPM in 2021

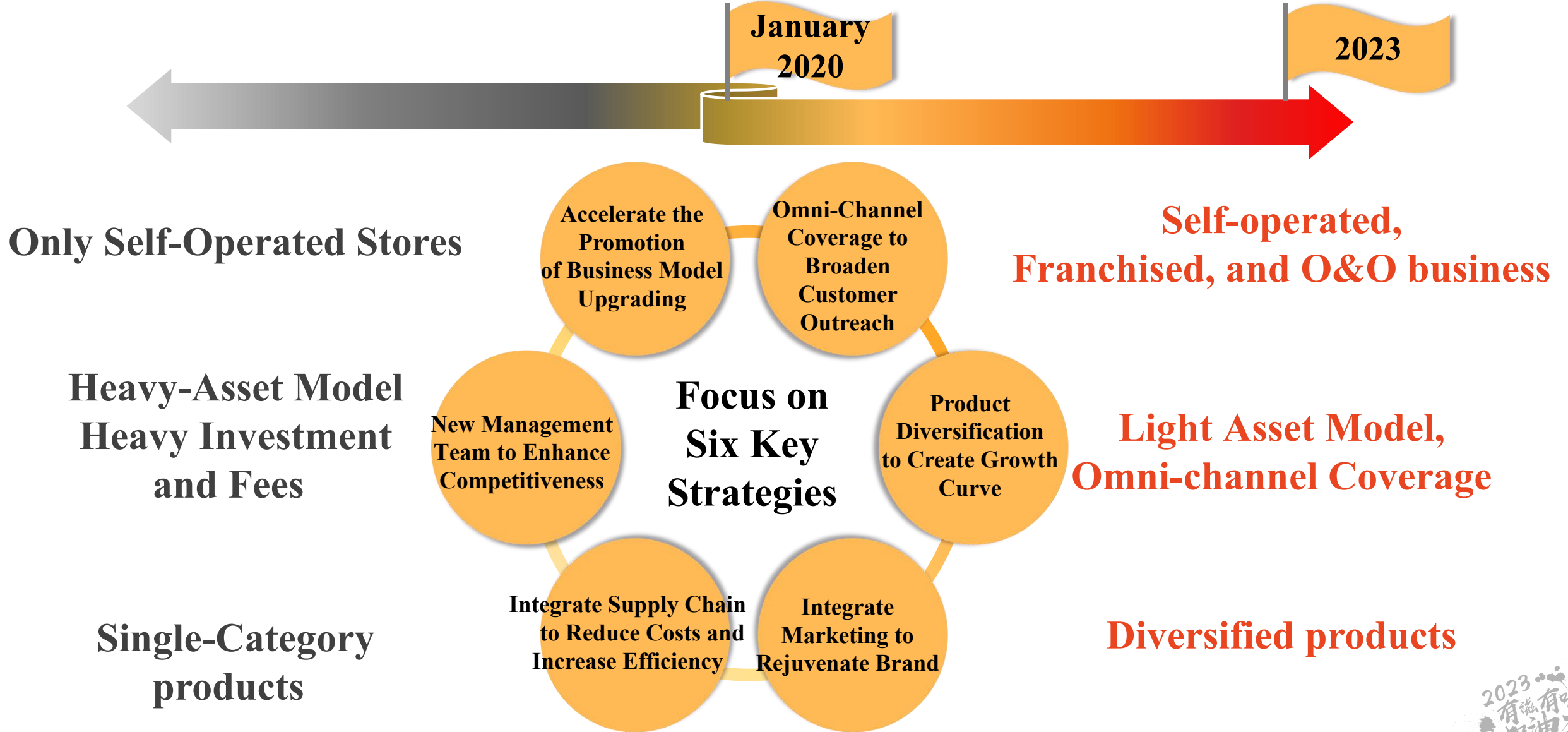
57.8%

GPM in 2022

55.0%



Lay the Foundation for the Sustainable Growth





CONTENT

ZHOUHEIYA

Results Overview

Strategy Review

Outlook





2023 – A Year For Stabilization And Transition

- ◆ **Accelerate store expansion**
- ◆ **New product mix to capture new customer group**
- ◆ **Phenomenal marketing campaign with top IPs to attract younger generation**
- ◆ **Brand new business driver to address on community-based consumption**

And...We are facing unprecedented raw materials cost pressures



10,000-Store Plan is Underway



1,000 New Stores in 2023



Community Stores to 1,300



More Stores in Transport Hub





x

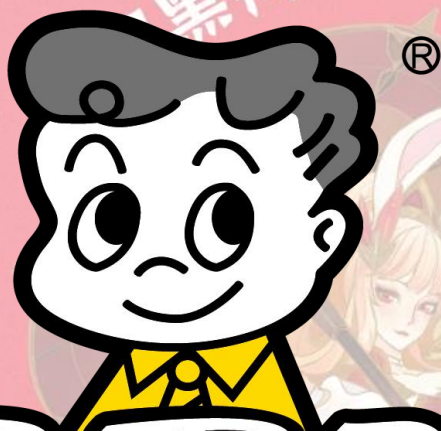


吃货吃虾 轻松拿下

黑鸭小龙虾虾球 一斤整虾做一



荣获布鲁塞尔国际风味评鉴所
顶级美味大奖*



®

x



周黑鸭
ZHOU HEI YA

王者荣耀

新口味
麻辣闪现暴击!
尝鲜价 ¥32.9 /100g
建议零售价39.9/100g

新口味
烧烤油炸来袭!
尝鲜价 ¥32.9 /100g
建议零售价39.9/100g



*约3.3斤原料龙虾可得1斤原料虾球，出品率约为65%。一盒拆袋售卖虾球100g，130g规格。 ©2023 Tencent



“
Essential,
High-Frequency,
High Cost-Effectiveness
”



Duck Neck Price Trend From 2019 to 2023



Data source: Company research

- **Collaborative Optimization of Product Structure**
- **Accurately Capture Buying Point**
- **The Whole Chain Refined Management**
- **Accurately Manage Promotional Discounts**

**Continued high-level rise in raw material prices,
collaborative efforts across production, supply,
and sales to mitigate cost pressures**



Lead to Sustainable Growth

2023
有味
有滋
加油
干