

# CAFÉ DE CORAL - BUSINESS OPERATIONS GUIDED BY RUJIA VALUES

## GROUP 5

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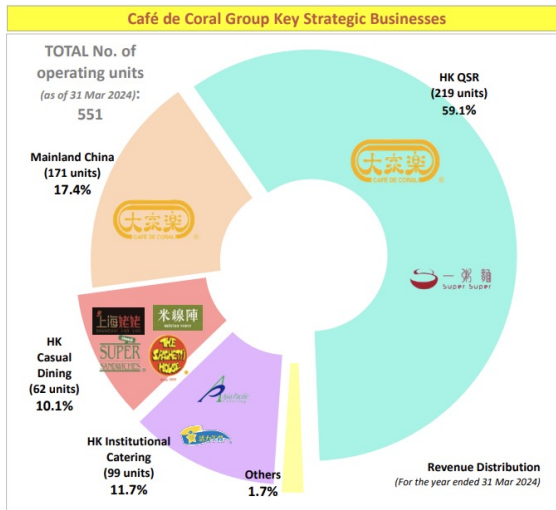
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# INTRODUCTION

- Largest Chinese QSR chain globally
- Founded in 1968 initially as a family-owned business and listed on HKSE in 1986 (HK:0341)
- Currently operates 551 stores across Hong Kong, Macau, Mainland China, North America, etc.
- Multi-brand QSR portfolio including Café De Coral, Super Super, Olivers Super Sandwiches, Shanghai Lao Lao, etc.
- FY24 revenue of HK\$8.7bn and net income of HK\$331m respectively





# ALIGNMENT WITH RUJIA VALUES – 仁

We find that the company's management philosophy aligns with many aspects of Confucian thoughts & values, in particular, the value of benevolence

- The spirit of benevolence entails traits/virtues such as respect, tolerance, trust, agility, grace, intelligence, courage, loyalty, forgiveness, filial piety, etc.
- Self-development or governance should be based on propriety and love, thus achieving “benevolence” “Propriety” and “benevolence” are closely associated (oftentimes implicitly) and complements each other
- Manifestation of “benevolence” in Café De Coral’s operation:

Mission & culture	- “To make all stakeholders happy”
Operations	<ul style="list-style-type: none"> <li>- Treats employees with care, dignity and trust</li> <li>- Alignment of interest via ESOPs</li> <li>- Provides regular training</li> </ul>
Customer service	<ul style="list-style-type: none"> <li>- Pleasant dining environment</li> <li>- Strict food safety and sanitation standards</li> <li>- Menu update/innovation</li> <li>- Collecting and evaluating customer feedback</li> </ul>
CSR/ESG	<ul style="list-style-type: none"> <li>- Active in social services/CSR events and donations</li> <li>- Commitment to environment protection</li> </ul>



# ALIGNMENT WITH RUJIA VALUES – 义

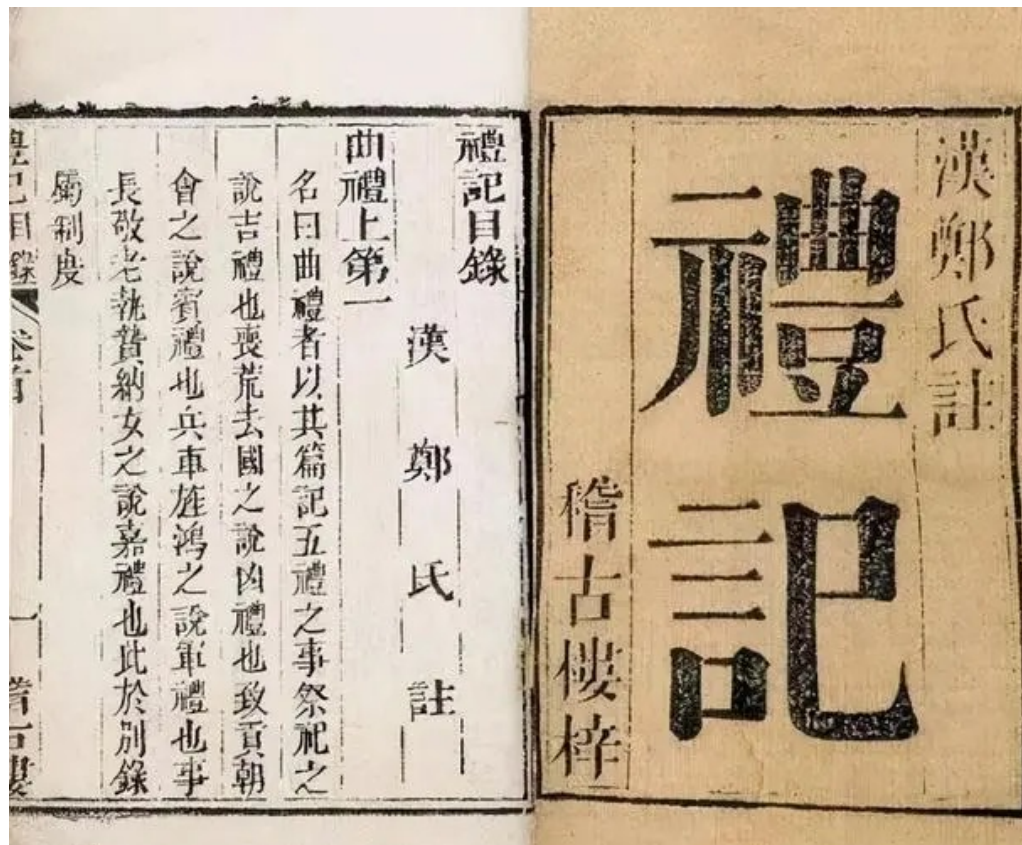
Cafe de Coral embodies the concept of rujia "义" through its stakeholder involvement

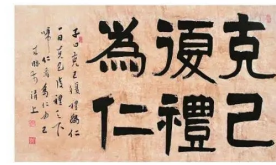
- While profit optimization is what modern corporates focus on, the pursuit of growth and profitability must conform to social moral standards, national laws, and the use of legitimate business means, and must be constrained by the value of "义"

Employee benefits & welfare	<ul style="list-style-type: none"> <li>- Investing in providing specialized employee training programs that are QF Level 3 certified, fostering employee professional developments</li> <li>- Continuing education sponsorships</li> <li>- Employee fitness programs - "Quality Life"</li> </ul>
Customer first mentality	<ul style="list-style-type: none"> <li>- "Nutritious, delicious, and affordable meals"</li> <li>- Customer experience enhancement through technology adoption</li> </ul>
Supply chain management	<ul style="list-style-type: none"> <li>- Long-term supplier relationships</li> </ul>



# WHAT IS RITUAL? 什么是礼





# WHAT IS RITUAL? 什么是礼

“礼之用，**和为贵**。先王之道，斯为美，小大由之。有所不行，知和而和，不以礼节之，亦不可行也。”  
《论语·学而》

- 外在的限制或者约束，起到规范、保障秩序的作用本质是“和”。
- External restrictions or constraints, play a standard, safeguard the order of the role of the quality is "harmony".

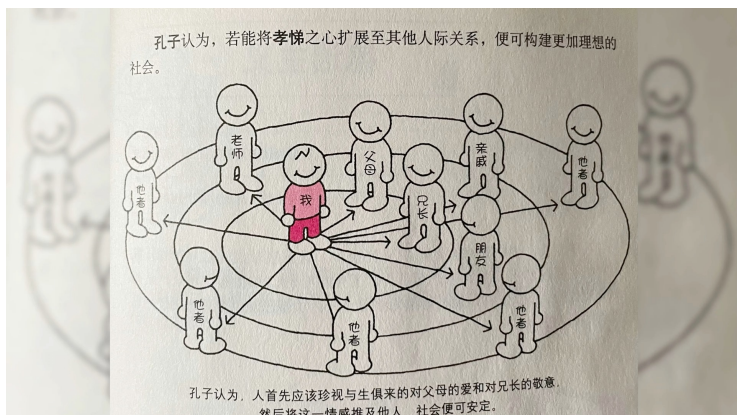
“克己复礼为仁。一日克己复礼，天下归仁焉”。

- **克制**自己让一切都按照礼的要求去做，这就是仁。一旦这样做了，天下的一切就都归于仁。
  - Restrain yourself and let everything be done according to the requirements of rites, which is benevolence.
  - “克己”就是祛除人的私欲，人本无善恶，而是教习之 要仁要和要礼 就要克己
  - "Self-denial" is to get rid of people's selfish desires, there is no good or evil, but to teach them
- 道德仁义，**非礼不成**；教训正俗，**非礼不备**；分争辨讼，**非礼不决**；君臣上下、父子兄弟，**非礼不定**；宦学事师，**非礼不亲**；班朝治军、莅官行法，**非礼威严不行**；祷祠祭祀、供给鬼神，**非礼不诚不庄**。是以君子恭敬撙节退让以明礼。（《礼记·曲礼》）
- 礼既是一个道德概念，具有道德原则，也是一种社会制度和规范，是良好的社会秩序的最高原则；
  - 礼是仁的**外在表现**，仁是礼的原则和标准。ritual is the external expression of benevolence, and benevolence is the principle and standard of ritual.
  - 礼是道德的标准、教化的手段、是非的准则，ritual are the standard of morality, the means of education, and the criterion of right and wrong.



# WHAT IS RITUAL? 什么是礼

- 礼主-敬让---“**让**，礼之主也”《礼记·经解》 **humility comity**
- 礼主-交往间的平等---“**礼尚往来**”。《礼记·曲礼》 **reciprocity equality**
- 礼追求一种非法律维持的秩序---“道之以政，齐之以刑，民免而无耻。道之以德，齐之以礼，有耻且格。”《论语·为政》 **羞耻心- 他律 Sense of shame**
- 礼主--和谐与秩序的统一 **Unity of harmony and order**
- 礼贵他人---“君子贵人而贱己，**先人而后己**，则民作让”。《礼记·坊记》
  - “礼”所体现的--道德精神是**贵人敬让**，突出对于对方的**尊重**； **respectful**
  - “礼”所追求的社会理想是**有序和谐**，**秩序**； **Harmonious order**
  - “礼”的本质在于实现一种非法律维持的社会组织方式；法律是底线
  - “礼”的体现是**行为和精神**的高度文明。 **Behavior and spirit**



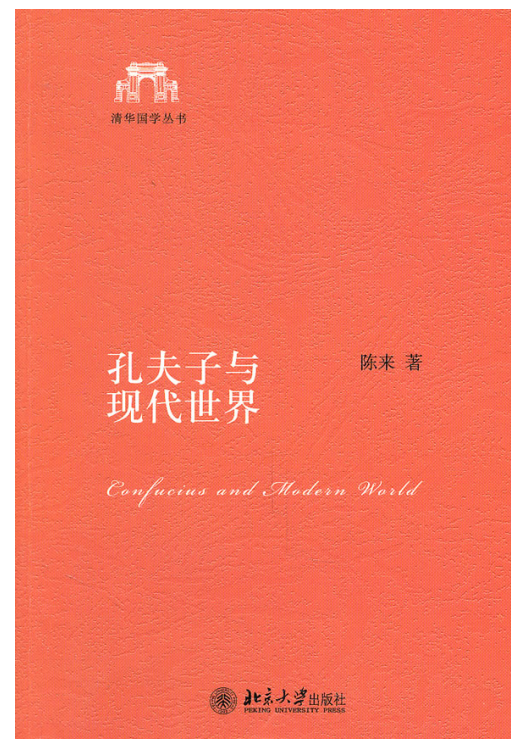


## WHAT IS RITUAL? 什么是礼

- |                           |                                   |
|---------------------------|-----------------------------------|
| • 礼是 <b>人文</b> 的，不是神性的；   | Humanistic, not divine;           |
| • 礼是 <b>入世</b> 的，不是出世的；   | Entered the world, not born;      |
| • 礼是 <b>文明</b> 的，不是野蛮的；   | Civilized, not barbaric;          |
| • 礼是 <b>交往</b> 的，不是自我中心的； | Communicative, not self-centered; |
| • 礼是 <b>温情</b> 的，不是冰冷的；   | Warm, not cold;                   |
| • 礼是 <b>理性</b> 的，不是暴力的；   | Rational, not violent;            |
| • 礼是 <b>教化</b> 的，不是民主的；   | Civilizing, not democratic;       |
| • 礼是 <b>规范</b> 的，不是批判的；   | Normative, not critical;          |
| • 礼是 <b>纪律</b> 的，不是自由的；   | Disciplined, not free;            |
| • 礼是 <b>他律</b> 的，不是自律的；   | Heteronomy, not self-discipline;  |
| • 礼是 <b>义务</b> 的，不是权利的；   | Obligations, not rights;          |
| • 礼是 <b>社群</b> 的，不是个人的。   | Community, not individual.        |

- There is conflict without losing harmony,
- Change without loss of order,
- Emphasizing democracy without losing enlightenment,
- Critical spirit without losing the traditional norm,
- To assert one's right without losing one's duty,
- Focus on the individual rather than the community.
- Highlight the cultural structure of duty, responsibility, and community.

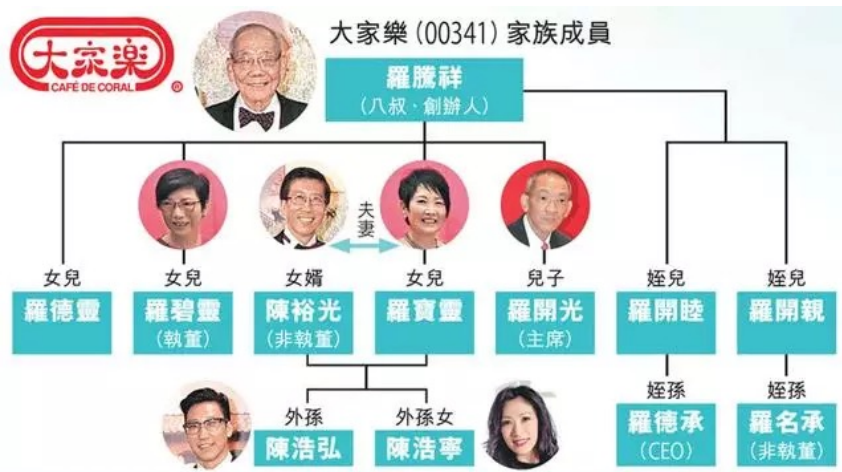
- 《孔夫子与现代世界》陈来



- 有**冲突**不失和谐，
- 有**变化**而不失秩序，
- 重**民主**而不失教化，
- 有**批判精神**而不失传统规范，
- 伸张**权利**而不失义务，
- 注重**个人**而不忘社群。
- 突出义务、责任、社群的文化结构。

# THE "CORE" AND "REPRESENTATION" OF LI

- 仪只是礼的末，是礼的枝节，而不是礼的根本
- **父慈-子孝-兄良-弟弟-夫义-妇听-长惠-幼顺-君仁-臣忠**，《孟子·滕文公上》
- Father kindness - son filial piety - brother good - brother - husband righteousness - woman listen - long hui - children obedient - king benevolence - minister loyal
- 礼的目的是治人情、修人义，而所以治修的主旨是“讲信修睦、尚辞让、**去争夺**”，这个敬让和信的主旨就是礼之本
- 1986年，大家乐在港交所上市，陈裕光于1989年出任行政总裁，1997年他作为女婿接班，成为大家乐第三任主席兼首席执行官。2012年他卸任CEO，交棒予小舅子、罗腾祥之子罗开光。
- “人有要走的路，想走的路。”陈裕光说，他自己上半生是走“养家糊口”路，但后面的使命又变了
- **帮助 克己 传承 慈孝义惠顺**



## ALIGNMENT WITH RUJIA VALUES – RITUAL

Café de Coral integrates "ritual" into its corporate culture to shape brand image, enhance service quality, and build harmonious customer relationships

- "Without propriety, one cannot stand" (The Analects of Confucius, Yao's Day) – A must-learn for everyone
- "Propriety" refers to an objective social order, and only with the norms of "propriety" can people's behavior be appropriate and moderate
- Emphasis on the value of "propriety" in Café De Coral's employee training programs:

<b>Employee training</b>	<ul style="list-style-type: none"> <li>- Learn appropriate etiquettes for customer service</li> <li>- Regular follow-up training sessions provided</li> </ul>
<b>Manuals &amp; SOPs</b>	<ul style="list-style-type: none"> <li>- Detailed service standard manuals provided</li> <li>- Establishing clear SOPs</li> </ul>
<b>Customer service</b>	<ul style="list-style-type: none"> <li>- Routinely collect customer feedback via surveys, with recent results indicating 80% positive rating on service attitude</li> </ul>
<b>Monthly service excellence award</b>	<ul style="list-style-type: none"> <li>- Establishing monthly "Best Waiter" award with monetary reward to promote best practices in customer service</li> </ul>



# ALIGNMENT WITH RUJIA VALUES – 智

Cafe de Coral's operational success is achieved through Confucian “wisdom”

- The rujia definition of “wisdom” encompass the aspects of intelligence, sound judgment, as well as the ability to innovate, which are essential building pillars of successful enterprises.

In-depth market research	- Informed decision making and product/menu adjustment based on insightful consumer research findings
Data-driven decision making	- Invested heavily in establishing Business Management System (BMS), forming good operational strategies
Adoption of new technology/digital transformation	- Introduction of self-service ordering machines and online ordering services





## ALIGNMENT WITH RUJIA VALUES – 信

Cafe de Coral always adheres to the principle of honesty in its operations, winning the trust and support of customers.

- “Trustworthiness” is established as a basic moral norm and is a characteristic of the Confucianism. It is also the crucial factor that maintains functional, healthy and lasting human relationships.
- Cafe de Coral respects the employees and talents of competitors, trusts its partners, and grows together, reflecting the practice of Confucian “trustworthiness” in business relationships.

## ALIGNMENT WITH RUJIA VALUES – HE

Cafe de Coral is committed to corporate CSR & ESG missions, embracing the concept of unity of heaven and man in "harmony"

- rujia proposed that "harmony is precious," emphasizing that harmonious coexistence between people is the cornerstone of social stability and prosperity.
- Mencius further developed the idea of "harmony," stating that "timing is less important than location, and location is less important than harmony among people," emphasizing the importance of unity and consensus.
- Cafe de Coral adopts a diversified brand strategy, covering a broader market, reducing dependence on a single market or consumer group, and reducing risks.
- Cafe de Coral creates a harmonious working environment, embraces a diverse and inclusive employee team, and continuously improves talent development plans, reflecting the concept of harmonious coexistence in "harmony."

THANKS FOR LISTENING

Q&A

