

Tai Hing Group (6811 HK)

A Multi-brand Casual Dining Restaurant Group In Hong Kong

Highlights

- Tai Hing Group is a multi-brand casual dining restaurant group in Hong Kong and Mainland China that focuses on Asian cuisine. As of end-Jun 26, it operates 218 restaurants under 16 restaurant brands, of which four core brands accounted for 77% of 1H26 revenue, including Tai Hing, Men Wah Bing Teng, Asam Chicken and Trusty Congee King.
- Tai Hing Group seeks to offer value-for-money through food quality and customer experience rather than competing primarily on price. Management is positive on the competitiveness of its four core brands and sees scope to deploy multiple brands in selected locations to create synergies.
- In 2026, it will prioritise same-store sales growth and store network consolidation while maintaining disciplined cost control. The company targets to maintain a stable regular dividend payout ratio (1H26 and 2025: 80% and 76%) going forward and had a net cash of HK\$484m with no bank borrowings as of end-Jun 26.

Analysis

- A multi-brand casual dining restaurant group in Hong Kong.** Tai Hing Group is a multi-brand casual dining restaurant group in Hong Kong and Mainland China that focuses on Asian cuisine. As of end-Jun 26, it operates 218 restaurants under 16 restaurant brands, of which four core brands accounted for 77% of 1H26 revenue, including: a) Tai Hing, its flagship Hong Kong siu mei brand; b) Men Wah Bing Teng, the popular vintage-style Hong Kong cafe brand attracting both locals and tourists; c) "Asam Chicken", a fast growing Singaporean-Malaysian cuisine brand featuring Hainanese chicken rice as its signature dish; and d) Trusty Congee King, an exquisite congee and noodle restaurant brand that has been awarded the Michelin Bib Gourmand recognition for consecutive 16 years. 1H26 net profit grew 84% yoy while net margin expanded 1.7ppt yoy to 4% on improved same-store sales growth, store consolidation and effective cost control.

Key Financials

Year to 31 Dec (HK\$m)	2021	2022	2023	2024	2025
Net turnover	3,173	2,675	3,212	3,292	3,538
EBITDA	321	130	277	250	306
Operating Profit	163	(14)	146	116	180
Net Profit	100	(43)	94	63	108
Net Profit (adj.)	163	22	132	115	156
EPS (HK cents)	9.9	(4.3)	9.3	6.2	11.1
P/E (x)	15.5	n.a.	16.6	24.8	13.9
P/BV (x)	1.4	1.6	1.6	1.7	1.7
EV/EBITDA (x)	3.3	9.3	4.2	4.7	3.7
Dividend yield (%)	4.8	3.2	6.7	8.1	5.5
Net margin (%)	3.1	(1.6)	2.9	1.9	3.1
Net debt to equity (%)	(41.3)	(29.6)	(33.3)	(35.4)	(42.4)
Interest cover (x)	4.7	n.a.	4.9	3.1	4.5
ROE (%)	9.1	(4.5)	9.5	6.7	12.0

Source: Tai Hing Group, UOB Kay Hian

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NOT RATED

Share Price	HK\$1.545
Target Price	n.a.
Upside	n.a.

Stock Data

Sector	Consumer Discretionary
Bloomberg ticker	6811 HK
Shares issued (m)	971
Market cap (HK\$m)	1,501
Market cap (US\$m)	192
3-mth avg daily t'over (US\$m)	0.3

Price Performance (%)

52-week high/low	HK\$1.62/HK\$1.01
1mth	3.0
3mth	36.7
6mth	43.1
1yr	37.9
YTD	37.9

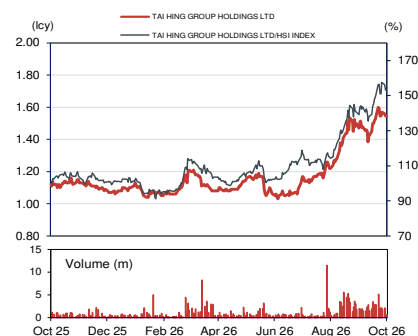
Major Shareholders (%)

Mr. Chan Ka Keung	56.49
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Balance Sheet Metrics

FY26 NAV/Share (HK\$)	0.92
FY26 Net Debt/Share (HK\$)	(0.39)

Price Chart



Source: Bloomberg

Company Description

Tai Hing Group is a multi-brand casual dining restaurant group in Hong Kong and Mainland China that focuses on Asian cuisine. It operated 218 restaurants under 16 brands as of 30 Jun 26.

- Differentiating through food quality and customer experience rather than price.** With an average spending of HK\$50-100 for most of its restaurant brands, Tai Hing Group seeks to offer value-for-money through better food quality and enhanced customer experience rather than competing primarily on price. The group maintains food quality and freshness through direct sourcing of ingredients, central kitchens, and automated cooking equipment. Notably, it launched "Golden 2-hour Roast Goose" and installed electronic countdown timers at Tai Hing restaurants to display the fresh-out-of-the-oven timing to customers. For Trusty Congee King, it launched "60-day Purified Grass Carp", which is raised in clean water for 60 days to remove impurities and improve its taste. Meanwhile, it organised large-scale employee training and team-building activities, and enhanced incentive mechanisms for restaurant staff to improve service quality and employee retention.
- Multi-brand strategy creates synergies.** Tai Hing Group is positive on the competitiveness of its four core brands and sees expansion potential for Men Wah Bing Teng, Asam Chicken and Trusty Congee King. Notably, Men Wah Bing Teng has lower investment requirements due to a smaller store size and faster table turnover, while Asam Chicken faces relatively limited direct competition and enjoys higher profitability. On the other hand, Trusty Congee King is benefitting from smaller family sizes and growing demand for refined Cantonese dishes. The group sees multiple brand deployments in selected locations (particularly large shopping malls) enabling shared logistics, more efficient regional management resources and stronger rental bargaining power. Looking ahead, new store openings will remain return-driven rather than target-driven, with priorities given to underserved residential and middle-income districts, as well as high-traffic locations.
- Narrowing losses in Mainland China.** The loss in operations for the Mainland China business narrowed 58% yoy to HK\$3.2m in 1H26, following store closures and network consolidation, particularly in Northern China. Future expansion will focus on Eastern China, Shenzhen and Guangzhou, with a preference for locations with proven foot traffic and purchasing power such as airports and high-speed railway stations. The group will remain primarily self-operated, while franchising or local partnerships may be considered over the longer term when food quality, service standards, supply chains and operating processes become sufficiently replicable.
- Ongoing digital investment.** Tai Hing Group launched its first mobile app three years ago and had accumulated more than 360,000 registered members as of end-Jun 26. While repeat purchases and takeaway orders continued to increase, management sees room to improve the app interface, personalisation and promotional offerings. Over the long term, it aims to enhance digitalisation, deepen customer data analytics, and drive cross-brand traffic. The group is also investing in internal IT systems, smart-kitchen equipment, and AI-assisted marketing to improve operating efficiency and support a larger restaurant network over time.
- Focusing on quality growth with generous shareholder returns.** In 2026, Tai Hing Group will prioritise same-store sales growth and store consolidation while maintaining disciplined control over operating expenses. The company targets to maintain a stable regular dividend payout ratio (1H26 and 2025: 80% and 76%) going forward and had a strong net cash position of HK\$484m with no bank borrowings as of end-Jun 26.

Valuation/Recommendation

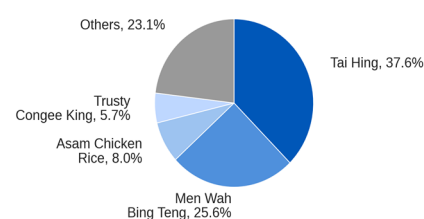
- Tai Hing Group is trading at 8.6x 2026F PE and 9.1% 2026F dividend yield, based on Bloomberg consensus.

Brand Portfolio



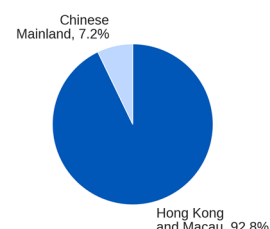
Source: Tai Hing Group, UOB Kay Hian

Revenue by Restaurant Brand (1H26)



Source: Tai Hing Group, UOB Kay Hian

Revenue by Region (1H26)



Source: Tai Hing Group, UOB Kay Hian

Tai Hing's "Golden 2-hour Roast Goose"



Source: Tai Hing Group, UOB Kay Hian

Profit & Loss

Year to 31 Dec (HK\$m)	2022	2023	2024	2025
Net turnover	2,675	3,212	3,292	3,538
EBITDA	130	277	250	306
Deprec. & amort.	(144)	(131)	(134)	(126)
EBIT	(14)	146	116	180
Total other non-operating income	-	-	-	-
Net interest income/(expense)	(29)	(30)	(37)	(40)
Pre-tax profit	(43)	116	78	140
Tax	0	(22)	(15)	(32)
Minorities	(0)	(0)	0	-
Net profit	(43)	94	63	108
Net profit (adj.)	22	132	115	156

Cash Flow

Year to 31 Dec (HK\$m)	2022	2023	2024	2025
Operating	517	685	684	736
Pre-tax profit	(43)	116	78	140
Tax	(16)	(16)	(35)	(23)
Deprec. & amort.	531	533	553	525
Working capital changes	(11)	6	18	18
Other operating cashflows	56	46	70	76
Investing	(218)	(153)	(94)	(118)
Capex (growth)	(146)	(135)	(122)	(96)
Others	(72)	(17)	28	(22)
Financing	(506)	(489)	(550)	(593)
Dividend payments	(75)	(59)	(96)	(131)
Issue of shares	1	-	-	-
Proceeds from borrowings	-	-	-	-
Loan repayment	-	-	-	-
Others/interest paid	(432)	(430)	(455)	(461)
Net cash inflow (outflow)	(207)	43	39	26
Beginning cash & cash equivalent	453	241	283	321
Changes due to forex impact	(5)	(1)	(2)	4
Ending cash & cash equivalent	241	283	321	350

Balance Sheet

Year to 31 Dec (HK\$m)	2022	2023	2024	2025
Fixed assets	1,760	1,801	1,730	1,619
Other LT assets	201	214	209	209
Cash/ST investment	283	328	331	380
Other current assets	269	238	201	224
Total assets	2,513	2,582	2,471	2,433
ST debt	-	-	-	-
Other current liabilities	775	800	757	805
LT debt	-	-	-	-
Other LT liabilities	783	797	779	730
Shareholders' equity	954	983	936	898
Minority interest	1	1	-	-
Total liabilities & equity	2,513	2,582	2,471	2,433

Key Metric

Year to 31 Dec (%)	2022	2023	2024	2025
Profitability				
Gross margin	72.6	73.8	73.9	73.5
Pre-tax margin	(1.6)	3.6	2.4	4.0
Net margin	(1.6)	2.9	1.9	3.1
ROA	(1.7)	3.6	2.5	4.4
ROE	(4.5)	9.5	6.7	12.0
Growth				
Turnover	(15.7)	20.1	2.5	7.5
EBITDA	(59.3)	112.1	(9.8)	22.6
Pre-tax profit	n.a.	n.a.	(32.6)	79.0
Net profit	n.a.	n.a.	(33.1)	72.3
Net profit (adj.)	(86.4)	498.4	(13.4)	36.2
EPS	n.a.	n.a.	(33.1)	78.2
Leverage				
Debt to total capital	-	-	-	-
Debt to equity	-	-	-	-
Net debt/(cash) to equity	(29.6)	(33.3)	(35.4)	(42.4)
Interest cover	n.a.	4.9	3.1	4.5

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