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When Growth Stops Doing the Work, What Keeps an F&B Brand Chosen?

Structural Endurance × Decision Priority in Hong Kong's F&B Market

SURVIVE	**CHOICE**
Can the business absorb sustained pressure?	Does the brand remain a priority in real consumption moments?

MaLogic perspective

In a low-growth, high-cost market, scale alone does not create advantage. Structural endurance determines who can stay in the game; decision priority determines who continues to be chosen.

Research cut-off: 31 August 2026

Contents

Assessments are structured qualitative judgements based on public information. CHOICE ratings are indicative desktop-based judgements unless validated by consumer research. They are not quantitative scores, credit ratings or investment recommendations.

EXECUTIVE THESIS

Hong Kong F&B Is Not Shrinking Everywhere — but Growth Is No Longer a Reliable Buffer

HK$27.2bn	+0.4%	-0.4%	-2.5%
Q2 2026 restaurant receipts	Q2 2026 nominal receipts YoY	Q2 2026 real-volume receipts YoY	Fast-food real-volume receipts YoY

In the first half of 2026, total restaurant receipts rose only 0.8% in value while real volume slipped 0.1%. The pressure is sharper in fast food: Q2 receipts fell 1.5% in value and 2.5% in volume. This is not a simple collapse story. It is a structurally low-growth environment in which cost pressure, substitution and channel shifts make operating quality matter more.

Core thesis

In a market where demand no longer provides an easy growth tailwind, brand leadership requires two capabilities at the same time: SURVIVE — maintaining structural endurance under pressure; and CHOICE — maintaining decision priority when consumers face multiple alternatives in real consumption moments.

The four cases in this white paper — Café de Coral, Maxim’s Group, TamJai and Tai Hing — are used to show different structural and decision pathways, not to create an investment ranking.

Source: Hong Kong Census and Statistics Department, provisional restaurant receipts statistics, Q2 2026.

01 — MARKET RESET

The Market Has Shifted from Expansion to Endurance

1. Near-zero real growth

H1 2026 restaurant receipts were +0.8% nominal but -0.1% in real volume. Growth is too weak to mask poor operating economics.

2. Fast-food pressure is sharper

Q2 2026 fast-food receipts fell 1.5% in value and 2.5% in volume, directly relevant to mass-market QSR operators.

3. Labour remains structurally expensive

The statutory minimum wage rose from HK$42.1 to HK$43.1 per hour on 1 May 2026, adding pressure to labour-intensive formats.

4. Occupancy pressure is location-dependent

Core high-street rents have been recovering, while neighbourhood rents remain mixed. Occupancy risk now depends more on format and location than on a single market-wide rent trend.

5. Platform power remains material

The Competition Commission’s 2026 Keeta commitments focused on exclusivity, switching penalties and price-parity provisions — evidence that platform bargaining power and customer ownership remain strategic issues.

6. Cross-border leakage is structural

Outbound spending continues to affect local consumption patterns. The implication is not simply “Shenzhen is cheaper”, but that Hong Kong operators face a permanently wider competitive set.

7. High operating leverage amplifies small revenue changes

F&B formats with high fixed and semi-fixed costs can experience disproportionate profit compression when same-store sales soften. The issue is high operating leverage — not a lack of it.

02 — THE TWO-LENS FRAMEWORK

Two Different Questions Must Be Answered Together

Lens	Question	What It Diagnoses
SURVIVE — Structural Endurance	Can the business absorb sustained pressure?	Scale, unit economics, route to market, value architecture, integration strength, velocity and endurance capital.
CHOICE — Decision Priority	Does the brand continue to be chosen in real moments?	Context fit, habit, occasion ownership, immediate value, competitive contrast and emotional payoff.

SURVIVE and CHOICE must be read together.

SURVIVE x CHOICE provides a consistent two-lens strategic architecture. The seven SURVIVE dimensions remain constant across sectors, while what each dimension assesses is calibrated to the industry; CHOICE reflects category-specific decision dynamics. In this white paper, the assessment criteria are calibrated to the economics, operating realities and lower-involvement, highly substitutable decision environment of F&B.

The diagnostic structure stays consistent. What each dimension assesses adapts to the category.

Framework source: MaLogic SURVIVE x CHOICE proprietary strategic framework. The F&B-specific diagnostic definitions and assessment criteria used in this white paper are designed for structured strategic diagnosis rather than financial, credit or investment scoring.

03 — SURVIVE — STRUCTURAL ENDURANCE

The Seven Dimensions of SURVIVE: F&B Application

Dimension	What It Assesses in F&B
S — Scale Resilience	Whether scale is diversified across districts, formats, brands and revenue pools, and whether weak units can be rationalised without destabilising the system.
U — Unit Economics	Whether store-level and group economics can absorb rent, labour, food-cost and demand pressure without disproportionate profit erosion.
R — Route to Market	Whether the business can reach, convert and serve demand effectively through direct/franchise, mall/street/transit, delivery and digital channels without over-dependence on a single route.
V — Value Architecture	How the business configures brands/menus/formats, critical costs, value-adding activities and revenue models to create and capture sustainable economic value.
I — Integration Strength	Whether sourcing, production/central kitchens, supply chain, IT/loyalty, channels and operating systems are effectively integrated and controlled.
V — Velocity	Whether the business can adapt menu, pricing/promotion, format, channels and cost structure at the speed the market requires without sacrificing quality or economics.
E — Endurance Capital	Whether cash, liquidity and capital structure can absorb demand shocks and fund closures/refits, digitalisation, overseas expansion and necessary transformation.

F&B-Specific SURVIVE Criteria

Dimension	Strong	Moderate	Limited
Scale Resilience	Diversified by geography/format/portfolio/revenue pool; weak units can be closed or resized without destabilising the platform.	Meaningful scale but concentrated in one format, geography or demand pool; rationalisation is possible but costly.	Scale is narrow or rigid; concentration or fixed-format exposure makes contraction destabilising.
Unit Economics	Margins and cash conversion remain resilient under softer sales; labour/rent/food-cost ratios are controlled and format flexibility is evident.	Still profitable, but margin conversion is visibly sensitive to same-store sales, cost inflation or mix.	Persistent margin compression, weak cash conversion or economics that depend heavily on volume to break even.
Route to Market	Diversified store/direct/franchise/digital/delivery/institutional routes; key customer interfaces are controlled and single-platform dependency is low.	Adequate reach, but selected geographies/formats or digital traffic remain dependent on a small number of routes.	Narrow access or high dependence on a single landlord, platform, franchise layer or route.
Value Architecture	Brand/menu/format design, critical costs and revenue model form a coherent system; value-adding activities convert reliably into margin and cash.	Commercial architecture works, but value-add or cost absorption is uneven across brands, menus or formats.	Revenue relies heavily on discounting, traffic or a narrow hero product; cost/value-add structure does not support sustainable economics.
Integration Strength	Sourcing, production, supply chain, data/loyalty and store operations are highly coordinated; critical interfaces are controlled.	Selected stages are integrated, but important cost, data or channel interfaces remain externally dependent.	Systems are fragmented and key inputs, data, channels or terminal execution are difficult to coordinate.
Velocity	Proven ability to adjust menu, price, format, channels and costs quickly while preserving quality and economics.	Adaptation capability exists, but speed varies across brands/formats or improvements take longer to land.	Slow response; structural changes lag the market or repeatedly damage quality/economics.
Endurance Capital	Strong liquidity and controlled leverage; can self-fund restructuring,	Capital is sufficient for operations, but headroom for prolonged shocks	Tight cash, high leverage or dependence on external funding

	digital investment, network changes and expansion.	or major transformation is limited.	constrains necessary structural change.

Internal scoring discipline: indicators are coded 3 / 2 / 1 to support consistency. A critical structural weakness can cap a dimension at Moderate even when the average is higher. The published output remains Strong / Moderate / Limited rather than a league-table score.

03 — SURVIVE

Reassessing Four F&B Operating Platforms

SURVIVE is assessed at the operating-platform or group level where public financial and operational evidence is available. This prevents consumer-brand popularity from being confused with structural endurance.

Dimension	Café de Coral	Maxim's Group	TamJai	Tai Hing
Scale Resilience	**Strong**	**Strong**	Moderate	**Strong**
Unit Economics	**Limited**	Moderate	Moderate	**Strong**
Route to Market	**Strong**	**Strong**	Moderate	**Strong**
Value Architecture	**Moderate**	**Strong**	**Strong**	**Strong**
Integration Strength	**Moderate**	**Strong**	Moderate	**Strong**
Velocity	**Strong**	**Strong**	Moderate	**Strong**
Endurance Capital	**Strong**	Moderate	**Strong**	**Strong**

03 — SURVIVE

Evidence-Based Structural Reads

Café de Coral Holdings | Scale Remains an Asset, but Profit Conversion Is Being Stress-Tested

Scale Resilience — Strong

FY2025/26 revenue was HK$8.18bn. The group spans Hong Kong QSR, casual dining, institutional catering and Mainland China, while actively rationalising lower-productivity outlets and testing smaller formats.

Unit Economics — Limited

From FY2024/25 through H1 FY2025/26, the company issued three consecutive profit warnings. In H1 FY2025/26, revenue fell only 5.4%, yet profit attributable to shareholders fell 67.6% to HK$46.7m and Adjusted EBITDA declined 29.4%. The disproportionate movement between revenue and profit highlights the operating-leverage and unit-economic pressure facing a mature large-format F&B network when demand softens.

Route to Market — Strong

Combined sourcing, digital/CRM infrastructure and scale provide control, but front-end rent and labour remain material. Staff costs represented 34.7% of revenue and rental-related costs 11.7%.

Velocity — Strong

The group closed weaker outlets, adjusted formats and reported a return to profit growth for Café de Coral from Q3. FY2025/26 full-year profit attributable to shareholders was HK$164.1m; based on the disclosed full-year and H1 figures, implied H2 profit was approximately HK$117.4m, about 2.5 times H1. This points to a meaningful profit recovery, but not yet enough evidence that unit economics have regained structural strength.

Maxim's Group | Portfolio-Resilient Operator

Scale Resilience — Strong

More than 2,000 outlets across nine Asian markets and a portfolio spanning Chinese, Asian and Western restaurants, bakeries, coffee, QSR, institutional catering and licensed international brands.

Unit Economics — Moderate

DFI reported 2025 Maxim's sales of US$3.1bn (+0.4%) and its share of underlying profit at US$72m (+9%). Resilience is visible, but brand/store-level unit economics are not publicly disclosed.

Integration Strength — Strong

Portfolio procurement, production and institutional systems, plus licensed-brand governance, create significant operating leverage and diversification.

Velocity — Strong

DFI attributed improved profit partly to cost optimisation in Hong Kong and Mainland China, while Maxim's added 84 net stores in Southeast Asia in 2025.

TamJai | Focused Specialist Under Margin Pressure

Scale Resilience — Moderate

Revenue reached HK$2.84bn in FY2024/25 and the brand has expanded outside Hong Kong, but its operating model remains relatively concentrated around a focused noodle proposition.

Unit Economics — Moderate

Revenue grew 3.4%, but profit fell to HK$79.8m and profit margin declined to 2.8% from 4.3%. Structural simplicity remains an advantage, but profit conversion has weakened materially.

Value Architecture — Strong

A focused mixian proposition, flavour customisation and strong category association make the offer immediately legible and difficult to confuse with generalist QSR.

Velocity — Moderate

Standardisation is a structural strength, but rising staff, utility and handling costs and declining margins show that simplicity alone does not fully protect financial outcomes.

Tai Hing Group | Integrated Portfolio Builder

Scale Resilience — Strong

The group operated 218 restaurants across multiple brands in H1 2026, reducing dependence on the Tai Hing brand alone.

Unit Economics — Strong

H1 2026 revenue rose 8.2% to HK$1.85bn and profit attributable to shareholders rose 83.5% to HK$74.9m; staff and rental cost ratios improved.

Integration Strength — Strong

The company explicitly cited optimised procurement and synergies from its own factories as offsets to raw-material pressure.

Velocity — Strong

The Tai Hing brand itself grew revenue 7.9%, with improved same-store sales and profit margin, while the group maintained a debt-free balance sheet and HK$484m cash.

04 — CHOICE — DECISION PRIORITY

In Lower-Involvement, Recurring F&B Decisions, the Brand That Wins Is Often the One That Requires the Least Reconsideration

Dimension	What It Assesses in F&B
C — Context Fit	Does the brand feel naturally appropriate for common eating moments such as weekday lunch, quick dinner, family meal, snack or late-night?
H — Habit Strength	Does repeat become automatic rather than deliberative — a familiar routine that reduces cognitive effort?
O — Occasion Ownership	Does the brand clearly own a specific eating occasion, food need or daypart?
I — Immediate Value	At the point of choice, is the price-quality-portion-speed trade-off immediately compelling?
C — Competitive Contrast	Is there a clear reason to choose this brand rather than a nearby substitute?
E — Emotional Payoff	Does the experience leave reassurance, satisfaction, comfort or reward that increases the probability of future choice?

CHOICE ratings in this white paper are indicative desktop-based judgements. Definitive validation requires consumer research because habit, spontaneous consideration, occasion ownership and emotional payoff are mental and behavioural constructs.

F&B-Specific CHOICE Criteria

Dimension	Strong	Moderate	Limited
Context Fit	Naturally fits multiple common consumption contexts or dominates a recurring, important use case; broad spontaneous relevance.	Fits selected contexts clearly, but not a broad default or dominant use case.	Context is narrow, unclear or driven mainly by location/promotion.
Habit Strength	Evidence suggests automatic repeat/default choice with low reconsideration and low switching.	Repeat exists but is situational, convenience-led or readily disrupted.	Choice requires active reconsideration, promotion or novelty.
Occasion Ownership	Clearly associated with and recalled first for a specific high-value or recurring eating moment.	Participates in the occasion but shares it with many substitutes.	No clear occasion or need state is owned.
Immediate Value	Trade-off is immediately compelling without discount dependence.	Value is acceptable and clear but not consistently decisive.	Value requires price promotion, explanation or comparison to justify.
Competitive Contrast	Distinctive taste, format, product authority or experience materially reduces substitutability.	Some distinctiveness exists but nearby alternatives remain credible.	Little perceived difference from substitutes.
Emotional Payoff	Consumption reliably creates comfort, reward, reassurance or attachment beyond functional satisfaction.	Positive satisfaction exists but emotional residue is modest or inconsistent.	Experience is mostly functional and leaves little reason to return beyond utility.

04 — CHOICE

Indicative Decision-Priority Read

For Café de Coral, TamJai and Tai Hing, CHOICE is read at consumer-brand level. Maxim's is shown as a portfolio-level proxy because consumers choose MX, Genki Sushi, Starbucks, Jade Garden and other individual brands — not "Maxim's Group" as a single restaurant brand.

Dimension	Café de Coral	Maxim's Group*	TamJai	Tai Hing
Context Fit	**Strong**	Moderate	Strong	Strong
Habit Strength	**Moderate**	Moderate	Moderate	Moderate
Occasion Ownership	**Moderate**	Moderate	Strong	Strong
Immediate Value	**Moderate**	Moderate	Strong	Moderate
Competitive Contrast	**Limited**	Moderate	Strong	Strong
Emotional Payoff	**Moderate**	Moderate	Moderate	Moderate

*Portfolio-level proxy. Not directly comparable with a single consumer-facing restaurant brand.

Interpretation principle

CHOICE ratings are deliberately conservative. Strong consumer-side judgements are reserved for dimensions where observable brand/category evidence supports a strong hypothesis. Habit Strength and Emotional Payoff generally remain Moderate until validated with consumer data.

05 — BRAND DIAGNOSIS

Four Different Routes Through the Same Market Pressure

Café de Coral | Broad Default, Weak Contrast

Its strongest asset is contextual legitimacy: it fits many everyday meal moments and has extensive physical availability. The risk is not irrelevance, but weak competitive contrast. In a dense choice environment, convenience can sustain traffic without creating preference strength.

Maxim's Group | Portfolio Coverage, Distributed Choice

Maxim's is structurally resilient because multiple brands cover multiple occasions. But CHOICE cannot be read cleanly at group level: habit, occasion ownership and emotional payoff sit inside individual brands. Group breadth is a structural advantage, not proof of a single unified decision advantage.

TamJai | Focus Creates Choice Acceleration

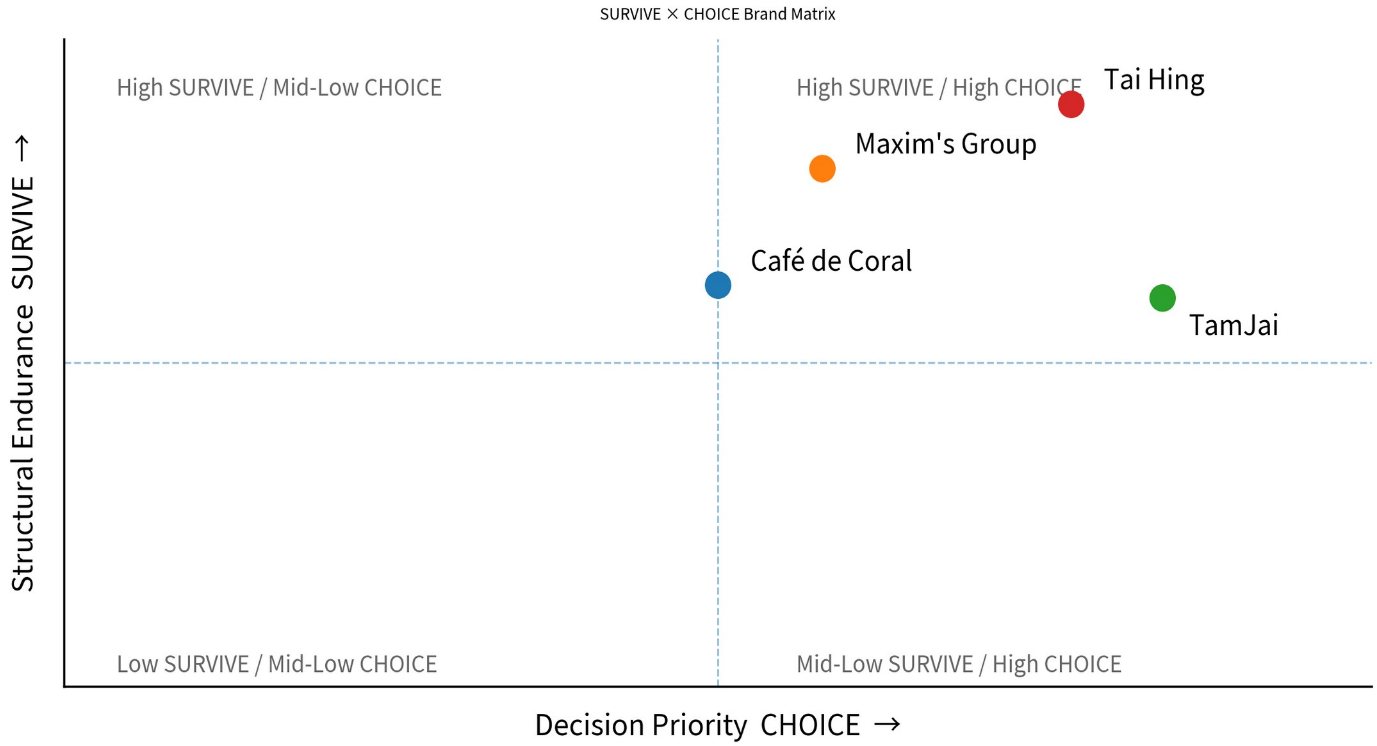
A focused food category, flavour customisation and strong sensory cues give TamJai clear context fit, occasion ownership and competitive contrast. The key uncertainty is whether habit and emotional payoff remain as strong as the category signals suggest — something only consumer research can validate.

Tai Hing | Product Authority with Better Structural Support

Tai Hing's "King of Roast" positioning, product theatre and roast-meat authority create a clear reason for choice, while a stronger structural platform sits behind the consumer brand. Habit and emotional payoff, however, should not be rated Strong without direct consumer evidence.

06 — THE SURVIVE x CHOICE MAP

Structural Strength and Decision Priority Are Not the Same Thing



Management implication

The most useful management questions usually sit where the two lenses disagree: “We are structurally strong — why are we not first choice?” or “Consumers want us — but can the operating model monetise that demand sustainably?”

The map shows relative strategic position rather than financial or investment scoring. SURVIVE is supported mainly by operating and financial evidence; final CHOICE positioning should still be validated through consumer research.

07 — MANAGEMENT IMPLICATIONS

Management Priorities Across Four Brands

Café de Coral: convert scale into sharper reasons for choice

Three consecutive profit warnings and the sharp H1 FY2025/26 profit contraction show that scale alone cannot offset unit-economic pressure. Yet the clear H2 profit recovery also suggests that network optimisation and operating adjustments are beginning to work. The next priority is not indiscriminate expansion, but continued improvement in profit conversion while strengthening signature food and occasion cues so “available everywhere” becomes “more preferred”, not merely convenient.

Maxim’s: manage the portfolio at two levels

SURVIVE should be managed at group level; CHOICE should be measured at brand level. The strategic question is how shared systems, data and loyalty infrastructure can strengthen individual brand choice without flattening their identities.

TamJai: protect focus while rebuilding profit conversion

The brand’s clarity is an asset, but FY2024/25 margin decline shows that simple formats are not automatically protected. Labour, handling, delivery economics and international scaling discipline matter as much as menu simplicity.

Tai Hing: prove that structural strength translates into consumer priority

Tai Hing currently has strong public operating evidence on Unit Economics, Value Architecture, Integration Strength and Endurance Capital. The next step is to validate through consumer research whether its roast-meat authority, Habit Strength and Emotional Payoff are genuinely stronger than competitors in consumers’ minds.

CONCLUSION

In a Low-Growth F&B Market, Endurance Is Necessary — but Priority Decides Who Gets the Next Meal

Hong Kong F&B is not a simple “declining market”. It is a market where nominal stability can coexist with flat or falling real volume, and where small sales changes can produce large profit effects because of operating leverage. This makes surface growth metrics less useful on their own.

SURVIVE identifies whether a business has the structural buffers to remain stable: scale resilience, unit economics, route to market, value architecture, integration strength, velocity and endurance capital. CHOICE identifies whether the consumer continues to prioritise the brand in a lower-involvement, highly substitutable F&B decision environment.

The strategic winners are not necessarily the biggest, the trendiest or the cheapest. They are the operators that can protect economics while making the choice feel easy, habitual and worthwhile.

How the Ratings Should Be Read

This white paper uses structured qualitative judgement supported by public operating, financial and market evidence. SURVIVE is assessed primarily at operating-platform/group level. CHOICE is an indicative desktop assessment using brand, product, channel and market proxies; definitive consumer-side conclusions require primary research.

Internal objectification: observable indicators are coded 3 / 2 / 1 to improve consistency across brands. A critical structural weakness can cap a dimension at Moderate. Published outputs remain Strong / Moderate / Limited because the evidence base is heterogeneous and should not imply false numerical precision.

Evidence hierarchy: company filings and exchange disclosures > government/authoritative industry data > institutional/strategic shareholder reporting > company websites and market signals. Consumer reviews may be used only as supporting signals, not as stand-alone proof of a rating.

Key sources

• Hong Kong Census and Statistics Department — Provisional statistics of restaurant receipts and purchases, Q2 2026 (4 Aug 2026).

• Hong Kong Labour Department — Statutory Minimum Wage, HK$43.1/hour from 1 May 2026.

• Hong Kong Competition Commission — Keeta online food delivery platform commitments, accepted 17 Jun 2026.

• Café de Coral Holdings Limited — FY2024/25 to FY2025/26 profit warnings, interim results and FY2025/26 annual results / annual report (HKEX filings); year-end cash and cash equivalents of approximately HK$1.115bn.

• Tai Hing Group Holdings Limited — Interim Results for six months ended 30 Jun 2026 (21 Aug 2026).

• Tam Jai International — FY2024/25 Annual Report and financial highlights; privatised and delisted 19 Aug 2025.

• DFI Retail Group — FY2025 results and Corporate Overview; Maxim’s 2025 sales US$3.1bn, share of underlying profit US$72m, 2,000+ outlets.

Research cut-off: 31 August 2026. TamJai public financial evidence is limited to FY2024/25 because the company became private on 19 August 2025 and no longer publishes investor presentations.

APPENDIX

Frequently Asked Questions

Q1. Are Strong / Moderate / Limited quantitative scores?

No. They are structured qualitative ratings supported by observable evidence and an internal 3 / 2 / 1 discipline. They are designed for strategic diagnosis, not investment scoring.

Q2. Why are SURVIVE dimensions the same as in jewellery, but CHOICE dimensions differ?

SURVIVE uses the same anchored seven dimensions across categories. What each dimension assesses is calibrated to the industry. CHOICE is more sensitive to decision dynamics: F&B is typically lower-involvement and habitual, while jewellery is higher-involvement, more symbolic and higher-risk. The architecture stays consistent; the diagnostics adapt to the industry.

Q3. Why is Route to Market part of SURVIVE, while Context Fit / Occasion Ownership sit under CHOICE?

Route to Market is an inside-out structural question: can the business reach and serve demand through stores, direct/franchise models, malls/street locations, delivery platforms and digital channels? Context Fit and Occasion Ownership are outside-in choice questions: in a given eating situation, does the brand naturally enter consideration and get chosen?

Q4. Why is Maxim's treated differently?

Maxim's Group is a portfolio platform. SURVIVE can be assessed at group level, but CHOICE resides mainly in individual brands such as MX, Genki Sushi and Starbucks. The group-level CHOICE view is therefore only a portfolio proxy.

Q5. Why is TamJai Unit Economics rated Moderate?

FY2024/25 revenue still grew, but profit margin fell to 2.8% from 4.3%, continuing a multi-year decline. Menu simplicity remains structurally helpful, but current profit conversion is not strong enough to support a Strong rating.

Q6. Why is Café de Coral Scale Resilience rated Strong?

Café de Coral operates a diversified platform and actively optimises its network, experiments with smaller formats, and maintains institutional catering and Mainland operations. H1 FY2025/26 showed that scale does not automatically protect profit; however, the group retained the ability to reconfigure its network, remove weaker units and materially repair profit in H2. That is why Scale Resilience and Unit Economics must be read separately.

Q7. Why is Café de Coral Unit Economics still rated Limited even though H2 FY2025/26 profit rebounded?

Because the latest improvement looks more like profit repair than proof that the structural problem has disappeared. In H1 FY2025/26, revenue fell only 5.4%, yet profit attributable to shareholders fell 67.6% to HK$46.7m, showing high sensitivity to demand changes. Based on the disclosed FY2025/26 full-year and H1 figures, implied H2 profit was approximately HK$117.4m, a clear improvement; however, with same-store sales still under pressure and labour and rental costs remaining high, the evidence is not yet strong enough to move Unit Economics to Moderate.

Q8. Can Tai Hing already be considered a High SURVIVE / High CHOICE benchmark?

On the SURVIVE side, H1 2026 provides strong evidence on unit economics, value architecture, integration strength and endurance capital. But several CHOICE dimensions still require primary consumer research. Tai Hing can therefore be viewed as a candidate close to the High SURVIVE / High CHOICE position, rather than a fully validated benchmark.

Q9. How should management use SURVIVE x CHOICE?

Build a SURVIVE baseline from operating and financial evidence; validate CHOICE with consumer research; then place both on the same map. The management priorities usually sit where structural strength and decision priority diverge.

About MaLogic

MaLogic is a technology-enabled research and strategy consultancy with headquarters in Hong Kong and Shanghai. We integrate market intelligence, consumer insight, brand strategy, data analytics and proprietary technology platforms to transform complex questions into clear, actionable pathways forward.

We transform complexity into clear pathways forward.

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