



Rating
Buy

Asia
Hong Kong

Consumer
Food & Beverage

Company
**Tsui Wah Holdings
Limited Alert**

Reuters 1314.HK Bloomberg 1314 HK Exchange HKG Ticker 1314

Date
27 March 2015

Company Update

Price at 26 Mar 2015 (HKD)	2.39
Price target - 12mth (HKD)	3.60
52-week range (HKD)	4.56 - 2.33
HANG SENG INDEX	24,497

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Appointment of new CEO

Tsui Wah appointed Mr. Ho Ting Chi as the CEO of the company with effect from 1 May 2015 to replace Mr. Anthony Lock. Mr. Ho, aged 52, is an executive director and one of the founders of the company. He is responsible for the strategic development and management of the group's business and operations together with chairman Mr. Lee Yuen Hong and another executive director Mr. Cheung Yu To.

Deutsche Bank comment

After the resignation of Mr. Anthony Lock in Nov 2014, the company has been actively looking for CEO replacement in the past few months. In our view, Mr. Ho is a good fit based on

- 1) He is one of the founders of Tsui Wah, which deeply understands the brand's history, culture and gene.
- 2) He has over 30 years of experience in the catering industry in HK. He is a vice president of the Association for Hong Kong Catering Services Management.
- 3) Mainland China exposure. Mr. Ho has been involved in the expansion in mainland since first store opening. Especially in recent years, he spent majority of time in Shanghai in charge of strategic development for Eastern China.

Mr. Ho's CEO contract has a term from 1 May 2015 to 4 November 2015. This is to be in line with his existing director's service contract. We think the appointment is more based on mid-term consideration. Maintain Buy on attractive valuation and growth prospects.

Stock data	
Market cap (HKDm)	3,306
Market cap (USDm)	426
Shares outstanding (m)	1,383.3
Major shareholders	Cui Fa (54.83%)
Free float (%)	27.7
Avg daily value traded (USDm)	0.0

Source: Deutsche Bank

Key data			
FYE 3/31	2014A	2015E	2016E
Sales (HKDm)	1,474	1,874	2,403
Net Profit (HKDm)	156.0	175.4	228.9
DB EPS (HKD)	0.11	0.12	0.16
PER (x)	42.6	19.8	15.2
Yield (net) (%)	1.5	3.3	4.4

Source: Deutsche Bank

Deutsche Bank AG/Hong Kong

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