Tam Jai International Co. Limited
譚仔國際有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 2217)

(I) INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021 AND (II) INSIDE INFORMATION — UNAUDITED FINANCIAL RESULTS OF THE CONTROLLING SHAREHOLDER, TORIDOLL HOLDINGS CORPORATION, FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

(I) INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

The board (the "**Board**") of directors (the "**Directors**") of Tam Jai International Co. Limited (the "**Company**") announces the unaudited consolidated results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 September 2021.

In this announcement, "we", "us", and "our" refer to the Company (as defined above) and where the context otherwise requires, the Group (as defined above).

FINANCIAL HIGHLIGHTS

	Six months ended 30 September 2021 HK$'000	Six months ended 30 September 2020 HK$'000	Change in percentage %
Consolidated statement of profit or loss			
Revenue	**1,181,494**	825,954	43.0%
Profit before taxation	**169,216**	170,121	–0.5%
Profit for the period	**137,871**	156,232	–11.8%
Profit margin	**11.7%**	18.9%	
Adjustments for:			
Government subsidies	**(1,969)**	(89,631)	–97.8%
Listing expenses	**11,134**	4,165	167.3%
Adjusted profit for the period(1)	**147,036**	70,766	107.8%
Adjusted profit margin	**12.4%**	8.6%	

	At 30 September 2021 HK$'000	At 31 March 2021 HK$'000	Change in percentage %
Consolidated statement of financial position			
Non-current assets	**864,165**	851,563	1.5%
Current assets	**424,350**	553,419	–23.3%
Non-current liabilities	**333,246**	333,438	–0.1%
Current liabilities	**546,624**	526,070	3.9%
Capital and reserves	**408,645**	545,474	–25.1%
Key financial ratios			
Current ratio(2)	**0.8**	1.1	
Quick ratio(3)	**0.7**	1.0	
Return on assets(4)	**20.5%**	23.1%	
Return on equity(5)	**57.8%**	62.4%	

Notes:

(1) Adjusted profit for the period excludes the impact of one-off government subsidies in relation to COVID-19 and listing expenses.

(2) Calculated based on our total current assets as at the end of the relevant periods divided by our total current liabilities as at the end of the corresponding periods.

(3) Calculated based on our total current assets less inventories as at the end of the relevant periods divided by our total current liabilities as at the end of the corresponding periods.

(4) Calculated based on our annualised profit for the relevant periods divided by our average total assets as at the beginning and the end of the corresponding periods and multiplied by 100%.

(5) Calculated based on our annualised profit for the relevant periods divided by our average total equity attributable to our equity shareholders as at the beginning and the end of the corresponding periods and multiplied by 100%.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Overview

We are the operator of the renowned, branded fast casual restaurant chain, TamJai Yunnan Mixian ("**TamJai**" "**譚仔雲南米線**") and TamJai SamGor Mixian ("**SamGor**" "**譚仔三哥米線**"). Having enjoyed a robust status in the food and catering scene of Hong Kong, our restaurants are spanned across Hong Kong, Mainland China and Singapore. The successful listing of our shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 7 October 2021 marked an important milestone in our Group's history.

The catering industry was heavily impacted by the COVID-19 outbreak in 2020. Although the industry is still overshadowed by anti-epidemic measures in 2021, there is gradual recovery in consumer spending as restaurant operators continue to adjust to new market norms, such as the cost control and supply chain challenges as restaurants strive to balance food quality and price, and the surging demand for takeaway or online delivery orders. These factors have made our business more resilient as we navigate the industry challenges and achieve an outstanding business performance.

Business Review

As at 30 September 2021, we had a total of 157 restaurants across Hong Kong, Mainland China and Singapore. During the six months ended 30 September 2021 ("**1H2022**"), our revenue saw a strong rebound, which increased to HK$1,181.5 million, a 43.0% year-on-year increase as compared with the six months ended 30 September 2020 ("**1H2021**") (1H2021: HK$826.0 million). The revenue hike was attributed to the increase in the number of restaurants in operation, and substantial growth in comparable restaurants revenue. In the meantime, our investments in Hong Kong, as well as our new markets in Mainland China, Singapore and Japan, have paved the way for future revenue growth.

Profit for the period was HK$137.9 million in 1H2022 (1H2021: HK$156.2 million, including government subsidies of HK$89.6 million). Adjusted profit for the period is HK$147.0 million and showed a remarkable growth of 107.8% compared to HK$70.8 million in the same period last year. Basic earnings per share were HK$13.8 cents in 1H2022 compared to HK$15.6 cents in the same period last year.

Comparable restaurants sales back to pre-COVID-19 level

We are pleased to announce that the comparable restaurants revenue of our Hong Kong restaurants in 1H2022 has already substantially recovered to pre-COVID-19 level, despite the on-going social distancing measures and restrictions on both seating and dining hours. The COVID-19 situation in Hong Kong has been relatively stable since April 2021 because of increasing vaccination rate of Hong Kong residents. A mild economic recovery and the return of local shoppers due to the relaxation of social distancing measures and the Consumption Voucher Scheme have also helped drive shop traffic and boost sales. There was an across-the-board increase in the average spending per customer, and the average daily number of bowls served per seat, which includes both dine-in, takeaway and delivery orders.

The key to such outstanding performance is the strong recognition of our brand — our menu is reputed for its rich, unbeatable variety, which offers countless combinations of toppings and spices. As we endeavour to expand the range of variety in our toppings, we have also introduced new products and premium toppings, as well as suggestive selling of snacks and drinks in special takeaway combo offers, which have been warmly received by our customers.

In addition to our new product strategy, our successful branding and promotional campaigns, including establishing social media content and connections, and various series of collaboration and promotional campaigns have also enhanced our overall brand awareness and visibility. It is especially important in the time of pandemic, which limits the physical travel distance of residents. Our restaurant chain is both a place of comforting familiarity, and a place of excitement where a burst of new flavours is always available at a click on the phone, or a tick of a box no matter how many times you return to us.

Increase in profit margin: optimisation and agility

Despite the ongoing challenges posed by COVID-19, we have been able to widen our profit margin by placing agility and optimisation at the heart of our business strategies. This has enabled us to bring our costs under control — the integration of the central kitchens of both TamJai and SamGor brands brought about savings on the operating cost and strengthened our ongoing partnership with our suppliers. The great variety in toppings and snacks in our recipes also afford us the agility in supply chain management both in terms of inventory and cost control. We have also been able to introduce premium toppings, promotions on delivery platforms which not only add to the increase in average spending per customer, but also improve our profit margin.

We have demonstrated agility in the "Smart Rostering" (flexible work hour management) of our staff, too. When COVID-19-related regulations on dine-in arrangements and social distancing measures came and went on short notice, we had been able to shift our frontline staff around different work stations from kitchen, takeaway and delivery orders arrangement, cashier to customer serving and more. Thanks to the efficient streamlining of restaurant operations and our on-going investment in staff training, our frontline staff adapted quickly. This had minimised disruption to our people in the restaurants, to whom we owe our success, and optimised the use of our existing manpower as we navigated new challenges again and again. We are proud of not resorting to lay-offs despite the pressure from the pandemic.

Expansion of restaurant network

As at 30 September 2021, our number of restaurants in Hong Kong increased to 150. We also opened four new restaurants in Shenzhen, and continued to operate three in Singapore in 1H2022. Our revenue has recorded an increase of 43.0% from HK$826.0 million in 1H2021 to HK$1,181.5 million in 1H2022.

The restaurant network expansion in Hong Kong has been one of the main contributing factors to the strong rebound in our revenue, as it goes hand-in-hand with the increase in average spending per customer and average daily number of bowls served per seat. Our expanding restaurant network is complementary to the delivery service coverage throughout the city, as we are well aware of the importance of takeaway and delivery orders in the industry amid the ongoing pandemic.

Our new restaurants in Shenzhen mirrored the growth trajectory of our operations in Hong Kong. We have opened four new restaurants in Shenzhen since April 2021, and all of them have met the expectation of management on revenue and operating profit margin at restaurant level. We are therefore going to further invest into the management team and infrastructures in Greater Bay Area, including a training centre for frontline staff, to fuel our high-speed growth in the market.

Other markets like Singapore and Japan are still going through the initial stage of investment. The overall development outside Hong Kong is aligned with management's expectation.

The success of our brands

The popularity of both TamJai and SamGor brands in Hong Kong is being channeled to other markets as we invest in our public relations and branding outreach. In Hong Kong, both TamJai and SamGor brands are well-loved by our customers as they are fondly recalled as the go-to destination for a bowl of delicious, steaming Chinese noodle soup that satisfies your craving for comfort food. Many will share the memory of the cheerful and fun antics of our attentive frontline staff, and there is no shortage of well-meant, humorous comments on our well-known TamJai accent.

To further strengthen brand loyalty, we have also launched the TamJai mobile application in Hong Kong as part of our customer loyalty program. It not only provides members with latest information on brand news and restaurant locations, but also enhances the TamJai experience with various offerings such as the queuing function, i.e. remote queuing ticket with real-time queuing status. Registered members can also earn stamps upon purchase, and redeem a selection of products, services and privileges.

It is therefore not surprising that we have swept multiple accolades in recognition of our branding success: we are the proud winner of the "Hong Kong Top Service Brand 2020" by the Hong Kong Brand Development Council, and the "U Favourite Food Awards — My Favourite Congee and Noodles Restaurant" by U Magazine. We have also been given the Gold Award by Marketing Magazine in multiple categories, including "Most Innovative Branded Content", "Most Effective Viral Campaign", "PR Campaign of the Year", and "Best PR Campaign — Food and Beverage". The list goes on.

Our public relations and branding campaigns have made an impact in other markets, too. In Shenzhen, we have gained traction with our social media campaigns on multiple platforms including Dazhong Dianping, Xiaohongshu and TikTok. Our initial restaurant launch campaign generated over 7,000,000 impressions on the above three platforms in April 2021 alone.

Thanks to the successful marketing and promotions, our first Shenzhen restaurant opened in April 2021 in Wong Tee Plaza was ranked No.1 on the "Shenzhen fast food chart" of Dazhong Dianping consecutively from 12 April to 30 May 2021.

Staff management

As at 30 September 2021, we had 3,045 employees. The remuneration package of our employees generally includes basic salary, discretionary bonus and incentive, and equity settled share-based payments (eligible employees only). The former is based on the particular employee's work experience, academic and professional qualifications (if relevant) and the prevailing market salary level, while the latter is based on the financial performance of the restaurant(s), the scores given by mystery shoppers and work performance.

Our Smart Rostering had not only helped maintain a stable workforce, but also improved cost efficiency in staff arrangement. Restaurant staff costs as a percentage of revenue decreased to 24.1% in 1H2022 compared with 25.7% in 1H2021 because of better manpower efficiency.

We have re-invested the staff cost savings and revenue increase in expanding and training our staff. This included extra frontline staff for restaurant expansion, the setting up of initial management teams in Shenzhen, Singapore and Japan, and also infrastructures such as the training centre in Shenzhen. As a result, the overall staff costs reached HK$358.5 million in 1H2022, compared with HK$258.4 million same period last year. However, the overall staff costs (including restaurant, central kitchen and headquarters and office staff) as a percentage of revenue dropped to 30.3% in 1H2022, compared with 31.3% in the same period last year, thanks to improvement in manpower efficiency.

Prospects

When the relaxation of COVID-19 related restrictions on dine-in and social distancing measurements offered the industry some much-awaited breathing room, our battle against the pandemic is far from over. In fact, we need to brace ourselves for the possible waves of outbreak in the future, and also the disruptions they may bring.

Agility and optimisation are key as businesses need to be nimbler than ever to make decisions in face of rapid and drastic changes. TamJai and SamGor are known for their great variety of food choices and the versatility of their recipes, and we will continue to leverage this strength to attract and retain customers. We will launch new and premium toppings to tantalise the taste buds of our patrons. We will also implement new supply chain management systems to optimise cost control, and to keep our inventory well-stocked. Aware of the changes in customer behaviour in light of the pandemic, we are also investing in additional operating equipment, and new technologies such as customer relationship management system and voice ordering system to further enhance restaurant-level efficiency in serving dine-in, takeaway, and delivery orders.

As we reflect the ebbs and flows of the business, we have found brand loyalty to be one of the key factors for success as customers seek comfort in going to familiar names when their daily activities and food choices are restricted by the pandemic. It holds true in situations where one is looking to visit a physical restaurant, or perusing the food options on food delivery apps. It is the brand loyalty that makes them come back again and again.

In this light, we are looking into increasing our investment in branding campaigns, especially in markets outside Hong Kong. We are also investing in strengthening our relationship with our stakeholders through the launch of various corporate social responsibility programmes, and demonstrating commitment to our staff by investing in their wellbeing, training and development.

Staff training will also ensure the same brand value propositions and professional standards are upheld across our growing restaurant network, so that our customers will have the same enjoyable experience no matter which restaurant they visit. We aim to open 14 new restaurants in Hong Kong for the period from October 2021 to March 2022, during which we also plan to open a few more restaurants in Greater Bay Area and Singapore. In Japan, with the strong support of Toridoll Holdings Corporation (the Company's controlling shareholder incorporated in Japan and listed on the Tokyo Stock Exchange (stock code: 3397)) ("**Toridoll Japan**"). We look forward to opening two new restaurants in the first quarter of 2022, and anticipate their success.

Performance of restaurant operations

To supplement the consolidated statement of profit or loss presented in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**"), we also use operating profit and operating profit margin which are not required by, or presented in accordance with, HKFRSs. These supplemental measures will be helpful for the management, the investors and other interested parties to assess the profitability of our business operation.

The following table sets forth the reconciliation of the Group's operating profit and operating profit margin, which provide additional information of our restaurant-level performance and are the non-HKFRS financial measures:

	Six months ended 30 September		Change in percentage
	2021	2020	
	HK$'000	*HK$'000*	*%*
Revenue	**1,181,494**	825,954	43.0%
Restaurant and central kitchen operating costs:			
— Cost of food and beverages consumed	**(267,592)**	(189,962)	40.9%
— Staff costs[1]	**(296,507)**	(223,151)	32.9%
— Depreciation of right-of-use assets, rental and related expenses[1]	**(190,642)**	(165,955)	14.9%
— Consumables and packaging	**(28,812)**	(22,421)	28.5%
— Utilities expenses	**(27,400)**	(16,704)	64.0%
— Handling charges	**(18,890)**	(23,127)	−18.3%
— Advertising and promotion	**(18,322)**	(5,988)	206.0%
— Cleaning expenses	**(7,738)**	(6,184)	25.1%
— Repairs and maintenance	**(7,175)**	(5,602)	28.1%
— Other expenses[1]	**(15,093)**	(12,647)	19.3%
Operating profit	**303,323**	154,213	96.7%
Operating profit margin	**25.7%**	18.7%	

Note:

(1) Represent relevant costs attributable to our restaurants and central kitchens and exclude any costs attributable to headquarters and office. For details, please refer to the paragraphs headed "Financial review — Staff costs", "Financial review — Depreciation of right-of-use assets, rental and related expenses" and "Financial review — Other expenses".

Although some of these financial measures are reconcilable to the line items in our consolidated statement of profit or loss as reported under HKFRSs, the use of the non-HKFRS financial measures has limitations as an analytical tool, and shareholders of the Company and potential investors should not consider them in isolation from, or as a substitute for or superior to analysis of, our results of operations or financial conditions as reported under HKFRSs. Furthermore, these financial measures may not be comparable to other similarly titled measures used by other companies.

Restaurant network

As at 30 September 2021, we had a total number of 157 self-operated restaurants located in Hong Kong, Mainland China and Singapore. In 1H2022, we recorded revenue amounting to HK$1,181.5 million. The following tables set forth the number of restaurants by geographic location as at the dates indicated:

	As at 30 September	
Number of restaurants	**2021**	2020
Hong Kong	**150**	131
Mainland China[(1)]	**4**	—
Singapore[(1)]	**3**	—
Total	**157**	131

Note:

(1) We expanded our restaurant chains by opening our first restaurants under our SamGor brand in Singapore in October 2020 and TamJai brand in Mainland China in April 2021, respectively.

Revenue

Our revenue increased by 43.0% from HK$826.0 million in 1H2021 to HK$1,181.5 million in 1H2022. The increase was due to the increase in the number of restaurants in operation; and substantial growth in comparable restaurants revenue as evidenced by both the increase in average daily revenue per restaurant, average daily number of bowls served per seat and average spending per customer. Our performance has recovered to substantially the same level as or better than the level before the social movement in the second half of 2019 and the outbreak of COVID-19 in early 2020, due to our extensive restaurant network and our food being highly suitable for takeaway and delivery orders. The average daily number of customers increased resulting from our strong takeaway and delivery sales and the relaxation of social distancing measures in 1H2022, which drove the growth of dine-in orders.

Revenue by geographic location

The table below sets forth the overall revenue of our restaurants by geographic location for the periods indicated:

	Six months ended 30 September		Change in
	2021	2020	percentage
	HK$'000	*HK$'000*	*%*
Hong Kong	**1,159,117**	825,954	40.3%
Mainland China	**11,675**	—	NA
Singapore	**10,702**	—	NA
Total	**1,181,494**	825,954	43.0%
— Dine-in	**57.1%**	51.6%	
— Takeaway and delivery[1]	**42.9%**	48.4%	

Note:

(1) Comprises takeaway orders made at the restaurants and delivery orders fulfilled through online delivery platforms.

Comparable restaurants revenue by geographic location

The table below sets forth the revenue of our comparable restaurants[1] by geographic location for the periods indicated:

	Six months ended 30 September		Change in
	2021	2020	percentage
	HK$'000	*HK$'000*	*%*
Hong Kong	**924,738**	770,612	20.0%

Note:

(1) Comparable restaurants are defined as restaurants in full operation throughout the periods under comparison, which exclude restaurants that are newly-opened, closed or renovated for a period over 30 days during the periods concerned. In 1H2022, all of the comparable restaurants were located in Hong Kong.

Non-HKFRS financial measures — Operating profit and operating profit margin

The operating profit margin of our restaurant operations increased from 18.7% in 1H2021 to 25.7% in 1H2022, mainly due to (i) the increase in our revenue; (ii) reduction of cost of food and beverages consumed as a percentage of revenue attributable to our bulk volume purchase; (iii) the decrease in our staff costs as a percentage of revenue attributable to the improvement of manpower efficiency; (iv) the decrease in our depreciation of right-of-use assets, rental and related expenses as a percentage of revenue attributable to the increase of the average daily revenue per restaurant and saving due to central kitchens integration; and (v) operation costs savings primarily due to savings on central kitchen related production costs as a result of integration, and decrease in handling charges to the percentage of revenue, offseting by the increase of advertising and promotion.

Key performance indicators of our restaurants

The table below sets forth the overall key performance indicators of our restaurants by geographic location for the periods indicated:

	Six months ended 30 September		
Average spending per customer (HK$)[(1)]	**2021**	2020	2019
Hong Kong	**59.5**	57.9	57.3
Mainland China	**61.8**	—	—
Singapore	**85.0**	—	—
Overall	**59.6**	57.9	57.3
Average daily number of bowls served per seat[(2)]			
Hong Kong	**6.8**	5.8	7.0
Mainland China	**6.4**	—	—
Singapore	**2.4**	—	—
Overall	**6.7**	5.8	7.0
Average daily revenue per restaurant (HK$)[(3)]			
Hong Kong	**43,546**	35,961	43,052
Mainland China	**30,643**	—	—
Singapore	**19,494**	—	—
Overall	**42,889**	35,961	43,052

Notes:

(1) Calculated by dividing the revenue generated from our restaurants by the total number of customers served. We use the number of bowls of mixian sold as a proxy for the number of customers served.

(2) Calculated by dividing the total number of bowls served (including dine-in, takeaway and delivery orders) by the total seating capacity calculated with reference to the number of seats in the respective floor area of our restaurants by total operation days divided by the total number of restaurants.

(3) Calculated by dividing the revenue generated from our restaurants by the total restaurant operation days.

Financial review

Revenue

Our revenue increased by 43.0% from HK$826.0 million in 1H2021 to HK$1,181.5 million in 1H2022. The increase was due to the increase in the number of restaurants in operation; and substantial growth in comparable restaurants revenue as evidenced by both the increase in average daily revenue per restaurant, average daily number of bowls served per seat and average spending per customer.

Cost of food and beverages consumed

Our cost of food and beverages consumed increased by 40.9% from HK$190.0 million in 1H2021 to HK$267.6 million in 1H2022, which was generally in line with the increase in our revenue. Our cost of food and beverages consumed as a percentage of revenue was 23.0% and 22.6% in 1H2021 and 1H2022, respectively.

Other revenue

Our other revenue decreased significantly from HK$98.4 million in 1H2021 to HK$2.5 million in 1H2022, primarily attributable to (i) the decrease in government subsidies mainly from the Government of the Hong Kong Special Administrative Region to the Group for the purpose of easing the impact caused by COVID-19; and (ii) the decrease in rental concessions from our landlords in Hong Kong in relation to easing the COVID-19 impact.

Staff costs

Our overall staff costs (including restaurant, central kitchen and headquarters and office staff) increased by 38.7% from HK$258.4 million in 1H2021 to HK$358.5 million in 1H2022, which was primarily due to (i) the effect from the increase in restaurant headcount due to the expansion of restaurant network; and (ii) the effect from the increase in headquarters and office headcount coping with the expansion in Shenzhen, Singapore and Japan markets. Our staff costs as a percentage of revenue dropped from 31.3% in 1H2021 to 30.3% in 1H2022, which was mainly benefited by the increase of revenue and the efficiencies gained from the implementation of Smart Rostering in the restaurants.

The following table sets forth a breakdown of our staff costs by function for the periods indicated:

	Six months ended 30 September			
	2021		2020	
	HK$'000	***%***	*HK$'000*	*%*
— Restaurant staff	**284,888**	**79.5%**	211,662	81.9%
— Central kitchen staff	**11,619**	**3.2%**	11,489	4.5%
— Headquarters and office staff	**62,039**	**17.3%**	35,271	13.6%
Total	**358,546**	**100.0%**	258,422	100.0%

Depreciation of owned property, plant and equipment

Our depreciation of owned property, plant and equipment increased by 49.3% from HK$28.5 million in 1H2021 to HK$42.5 million in 1H2022, mainly attributable to the increase in the number of our restaurants.

Depreciation of right-of-use assets, rental and related expenses

Our depreciation of right-of-use assets, rental and related expenses increased by 15.7% from HK$170.2 million in 1H2021 to HK$196.8 million in 1H2022, mainly attributable to the increase in the number of our restaurants and offsetting by the saving due to central kitchens integration.

The following table sets forth a breakdown of our depreciation of right-of-use assets, rental and related expenses for the periods indicated:

	Six months ended 30 September			
	2021		2020	
	HK$'000	***%***	*HK$'000*	*%*
Depreciation of right-of-use assets, rental and related expenses attributable to:				
— Restaurants	**183,981**	**93.5%**	155,542	91.4%
— Central kitchens	**6,661**	**3.4%**	10,413	6.1%
— Headquarters and office	**6,169**	**3.1%**	4,207	2.5%
Total	**196,811**	**100.0%**	170,162	100.0%

Consumables and packaging

Our consumables and packaging increased by 28.5% from HK$22.4 million in 1H2021 to HK$28.8 million in 1H2022, primarily attributable to the increase in the volume of our takeaway and delivery orders. Our consumables and packaging as a percentage of revenue was 2.7% and 2.4% in 1H2021 and 1H2022, respectively.

Utilities expenses

Our utilities expenses increased by 64.0% from HK$16.7 million in 1H2021 to HK$27.4 million in 1H2022, mainly attributable to the increase in the number of our restaurants. Our utilities expenses as a percentage of revenue was 2.0% and 2.3% in 1H2021 and 1H2022, respectively. The increase was mainly because the amount of utility subsidies received by us decreased in 1H2022.

Advertising and promotion

Our advertising and promotion expenses increased by 206.0% from HK$6.0 million in 1H2021 to HK$18.3 million in 1H2022, primarily attributable to more branding and promotion campaigns for Hong Kong, Singapore and the market launch in Shenzhen.

Listing expenses

Listing expenses represent professional fees incurred in relation to the global offering. We incurred and recognised in profit or loss listing expenses of HK$4.2 million and HK$11.1 million in 1H2021 and 1H2022, respectively.

Other expenses

Our other expenses increased by 43.1% from HK$15.8 million in 1H2021 to HK$22.6 million in 1H2022, primarily attributable to the increase in headquarters and office expenses.

The following table sets forth a breakdown of our other expenses by function for the periods indicated:

	Six months ended 30 September			
	2021		2020	
	HK$'000	*%*	*HK$'000*	*%*
Other expenses attributable to:				
— Restaurants[1]	**8,980**	**39.8%**	7,700	48.8%
— Central kitchens[2]	**6,113**	**27.1%**	4,947	31.4%
— Headquarters and office[3]	**7,471**	**33.1%**	3,125	19.8%
Total	**22,564**	**100.0%**	15,772	100.0%

Notes:

(1) Mainly consisted of insurance expenses and point-of-sale system maintenance costs.

(2) Mainly consisted of logistics expenses.

(3) Mainly consisted of services fee provided by Toridoll Holding Limited and Toridoll Japan, audit fees and other miscellaneous expenses.

Finance costs

Our finance costs remained stable, which was the combined effect of the decrease in interest on lease liabilities recognised in accordance with HKFRS 16 associated with our leases and the increase of that generated from the expansion of our restaurant network during the period.

Income tax expense

Our income tax increased significantly from HK$13.9 million in 1H2021 to HK$31.3 million in 1H2022, which was generally in line with the increase in our profit before taxation adjusted for government subsidies, which is non-taxable in nature. Our adjusted effective tax rate (being the income tax expense divided by the profit before taxation adjusted for government subsidies) slightly increased from 17.3% in 1H2021 to 18.7% in 1H2022. No provision for tax outside Hong Kong has been made in the unaudited consolidated interim financial statements as our subsidiaries outside Hong Kong did not have any assessable profits in 1H2021 and 1H2022.

Profit for the period

As a result of the foregoing, our profit for the period was HK$156.2 million in 1H2021 and HK$137.9 million in 1H2022. Excluding the impact of listing expenses and government subsidies, our adjusted profit for the period was HK$147.0 million and showed a remarkable growth of 107.8% compared to HK$70.8 million in the same period last year.

Our profit margin was 18.9% and 11.7% in 1H2021 and 1H2022, respectively, while our adjusted profit margin was 8.6% and 12.4% for the same period.

Right-of-use assets

Our right-of-use assets increased from HK$563.8 million as at 31 March 2021 to HK$578.1 million as at 30 September 2021 as we entered into more tenancy agreements for our restaurants and offices.

Inventories

Our inventories mainly consist of our food ingredients and beverages consumed in our restaurant operations, including meat, meat balls, offal, vegetables, and mixian. Our inventories increased from HK$13.6 million as at 31 March 2021 to HK$15.2 million as at 30 September 2021. Our inventory turnover days decreased from 11.8 days for the year ended 31 March 2021 to 9.9 days in 1H2022.

Trade and other receivables and deposits and prepayments

Our trade and other receivables and deposits and prepayments included (i) trading balances with our customers with smart card settlement; (ii) cash-in-transit pending to be deposited into our bank accounts held by a secured logistics service provider; (iii) rental deposits to our landlords and utilities deposits; (iv) prepayments for purchases of fixed assets and prepaid insurance. Our trade and other receivables and deposits and prepayments increased from HK$172.9 million as at 31 March 2021 to HK$179.5 million as at 30 September 2021, mainly due to the expansion of our operations.

Trade and other payables and accruals and deposits received

Our trade and other payables and accruals and deposits received included (i) the purchase of food ingredients and beverages for restaurant operations; (ii) accrued operating costs of our restaurants, offices and central kitchens; (iii) contract liabilities generated from the loyalty programme and coupons distributed; and (iv) deposit received from the logistic service provider. Our trade and other payables and accruals and deposits received remained stable during the period.

Lease liabilities

Our lease liabilities increased from HK$581.4 million as at 31 March 2021 to HK$595.5 million as at 30 September 2021, which was mainly due to new tenancy agreements for restaurants and offices entered into by us during the period.

Liquidity and financial resources

We principally fund our working capital from internally generated cash flows. As at 30 September 2021, our cash and cash equivalents were HK$320.7 million (31 March 2021: HK$460.9 million). The majority of the bank deposits and cash were denominated in Hong Kong Dollars.

As at 30 September 2021, we did not have any interest-bearing bank and other borrowings (31 March 2021: Nil). Accordingly, the gearing ratio is not provided.

Pledge of assets

As at 30 September 2021, we pledged $10.1 million cash deposits to a bank in relation to the bank guarantees to landlords for our leases (31 March 2021: HK$10.1 million). Save as disclosed above, we do not have any other pledge of assets.

Foreign currency exposures

In 1H2022, we mainly operated in Hong Kong, with only four restaurants in Mainland China and three restaurants in Singapore. We are not exposed to significant foreign exchange risks because the financial assets and liabilities denominated in currencies other than the functional currency of the Company are not significant.

In 1H2022, we had not engaged in any foreign exchange hedging related activity. The Group will continue to monitor the foreign currency exposures and take appropriate measures to minimise such risks when necessary.

Cashflows

Cash and cash equivalents decreased by HK$140.2 million from HK$460.9 million as at 31 March 2021 to HK$320.7 million as at 30 September 2021. For the 6 months ended 30 September 2021, net cash of HK$349.3 million was generated from operating activities. Net cash of HK$41.0 million was used in investing activities. Net cash of HK$448.4 million was used in financing activities, which HK$280.0 million dividend was paid to our equity shareholders during the period.

Capital commitments

As at 30 September 2021, we had capital commitments of HK$9.4 million (31 March 2021: HK$9.5 million).

Contingent liabilities

As at the date of this interim results announcement, we did not have any significant contingent liabilities.

Significant investments held by the Group

There were no significant investments held by us as at 30 September 2021.

Material acquisitions and disposals by the Group

In 1H2022, we had not made any material acquisition and disposal.

Employees, remuneration policy and pension scheme

As at 30 September 2021, we had 3,045 employees. The remuneration package of our employees (including full-time and part-time employees) generally includes basic salary, discretionary bonus and incentives, and equity settled share-based payments (eligible employees only). The basic salary is generally based on the particular employee's work experience, academic and professional qualifications (if relevant) and the prevailing market salary levels. The discretionary bonus and incentives is generally based on, among other things, the financial performance of the restaurant(s) which the particular employee is responsible for (or the financial performance at group-level if he/she assumes a group-level position), the mystery shopper scores of the restaurant(s) which he/she is responsible for and his/her work performance (e.g. punctuality). The equity settled share-based payments is to motivate and retain eligible employees to optimise their performance efficiency for the benefit of the long term growth of the Group.

We also provided frontline restaurant staff with training in various aspects, such as operational procedures, customer services, cleaning and sanitation, food safety and work safety. Our operations management teams will monitor and supervise our new staff in terms of quality of food and services, hygiene and manpower planning. We also provided our managerial staff with various types of on-the-job training in relation to, among other things, cost control, complaints handling, human resources, environmental, social and governance and legal issues.

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the six months ended 30 September 2021
(Expressed in Hong Kong dollars)

	Note	**Six months ended 30 September 2021** **$'000**	2020 *$'000*
Revenue	4	**1,181,494**	825,954
Cost of food and beverages consumed		**(267,592)**	(189,962)
Other revenue	5	**2,528**	98,412
Other net loss	5	**(468)**	(363)
Staff costs		**(358,546)**	(258,422)
Depreciation of owned property, plant and equipment		**(42,484)**	(28,459)
Depreciation of right-of-use assets, rental and related expenses		**(196,811)**	(170,162)
Consumables and packaging		**(28,812)**	(22,421)
Utilities expenses		**(27,400)**	(16,704)
Handling charges		**(18,890)**	(23,127)
Advertising and promotion		**(18,322)**	(5,988)
Cleaning expenses		**(7,738)**	(6,184)
Repairs and maintenance		**(7,175)**	(5,602)
Listing expenses		**(11,134)**	(4,165)
Other expenses		**(22,564)**	(15,772)
Finance costs	6(a)	**(6,870)**	(6,914)
Profit before taxation	6	**169,216**	170,121
Income tax expense	7	**(31,345)**	(13,889)
Profit for the period		**137,871**	156,232
Earnings per share (cents)	8		
— Basic		**13.8**	15.6
— Diluted		**13.8**	15.6

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 September 2021
(Expressed in Hong Kong dollars)

	Six months ended 30 September	
	2021	2020
	$'000	*$'000*
Profit for the period	**137,871**	156,232
Other comprehensive income for the period		
Item that may be reclassified subsequently to profit or loss:		
— Exchange differences on translation of financial statements of subsidiaries outside Hong Kong	**283**	365
Profit and total comprehensive income attributable to equity shareholders of the Company for the period	**138,154**	156,597

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 30 September 2021
(Expressed in Hong Kong dollars)

	Note	**At 30 September 2021** **_$'000_**	At 31 March 2021 *$'000*
Non-current assets			
Property, plant and equipment	10	**168,215**	170,556
Right-of-use assets	10	**578,085**	563,846
Deposits and prepayments		**101,186**	106,324
Deferred tax assets		**16,679**	10,837
		864,165	851,563
Current assets			
Inventories		**15,207**	13,606
Trade and other receivables	11	**19,087**	26,314
Deposits and prepayments		**59,201**	40,236
Current tax recoverable		**—**	2,300
Bank and cash		**330,855**	470,963
		424,350	553,419
Current liabilities			
Trade and other payables and accruals	12	**164,792**	170,165
Deposits received		**200**	375
Lease liabilities		**307,613**	289,465
Current tax payable		**52,041**	49,494
Provisions		**21,978**	16,571
		546,624	526,070
Net current (liabilities)/assets		**(122,274)**	27,349
Total assets less current liabilities		**741,891**	878,912

	Note	At 30 September 2021 $'000	At 31 March 2021 $'000
Non-current liabilities			
Lease liabilities		**287,883**	291,934
Provisions		**45,198**	41,010
Deferred tax liabilities		**165**	494
		333,246	333,438
NET ASSETS		**408,645**	545,474
Capital and reserves			
Share capital	13	**10**	10
Reserves		**408,635**	545,464
Total equity attributable to equity shareholders of the Company		**408,645**	545,474

NOTES TO THE UNAUDITED INTERIM FINANCIAL RESULTS

1 BACKGROUND INFORMATION

Tam Jai International Co. Limited is a private limited company incorporated in Hong Kong on 5 May 2015. Its immediate and ultimate holding company are Toridoll Holding Limited and Toridoll Japan respectively. Toridoll Holding Limited is a private limited company incorporated in Hong Kong.

The principal activities of the Company are investment holding, food processing and trading of processed food. The Group is principally engaged in the operation of restaurants.

On 7 October 2021, the Company's ordinary shares were listed on the Main Board of the Stock Exchange.

2 BASIS OF PREPARATION

These interim financial results have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with Hong Kong Accounting Standard ("**HKAS**") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). It was authorised for issue on 12 November 2021.

These interim financial results have been prepared in accordance with the same accounting policies adopted in the accountants' report in Appendix I to the Company's prospectus dated 23 September 2021, except for the accounting policy changes that are expected to be reflected in the 2022 annual financial statements. Details of any changes in accounting policies are set out in note 3.

As at 30 September 2021, the Group's total current assets were $424,350,000 and total current liabilities were $546,624,000. As a result, the Group recorded net current liabilities of $122,274,000 mainly attributable to lease liabilities of $307,613,000 recognised under current liabilities and decrease in bank and cash resulting from the payment of interim dividends amounting to $280,000,000 in July 2021.

Despite the net current liabilities as at 30 September 2021, the Group's cash and cash equivalents amounted to $320,742,000 (31 March 2021: $460,851,000) on the same date and the Group reported profit before taxation of $169,216,000 (six months ended 30 September 2020: $170,121,000) and recorded net cash generated from operating activities of $349,298,000 (six months ended 30 September 2020: $290,977,000) during the six months ended 30 September 2021. Subsequently in October 2021, the Company received gross proceeds of approximately $1,115,577,000 from the global offering before deducting underwriting fees, commissions and other related expenses. Furthermore, based on the cash flow projection prepared by management which covers a period of not less than twelve months from 30 September 2021, the directors are of the opinion that the anticipated cash flows generated from the Group's operations can strengthen the Group's financial position and enable the Group to have sufficient financial resources to meet its financial obligations as and when they fall due in the coming twelve months from 30 September 2021. Accordingly, the consolidated interim financial statements have been prepared on a going concern basis.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2021 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRSs.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. In addition, the interim financial results have been reviewed by the Company's Audit Committee.

The financial information relating to the financial year ended 31 March 2021 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 March 2021 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

3 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group:

- Amendment to HKFRS 16, *Covid-19-related rent concessions beyond 30 June 2021*
- Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, *Interest rate benchmark reform — phase 2*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRSs are discussed below:

Amendment to HKFRS 16, *Covid-19-related rent concessions beyond 30 June 2021*

The Group previously applied the practical expedient in HKFRS 16 such that as a lessee it was not required to assess whether rent concessions occurring as a direct consequence of the COVID-19 pandemic were lease modifications, if the eligibility conditions are met. One of these conditions requires the reduction in lease payments affect only payments originally due on or before a specified time limit. The 2021 amendment extends this time limit from 30 June 2021 to 30 June 2022.

The Group has adopted the 2021 amendment in this financial year. There is no impact on the opening balance of equity at 1 April 2021.

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, *Interest rate benchmark reform — phase 2*

The amendments provide targeted reliefs from (i) accounting for changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities as modifications, and (ii) discontinuing hedge accounting when an interest rate benchmark is replaced by an alternative benchmark rate as a result of the reform of interbank offered rates ("**IBOR reform**"). The amendments do not have an impact on these interim financial results as the Group does not have contracts that are indexed to benchmark interest rates which are subject to the IBOR reform.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are the operation of restaurants. The restaurants trade in the name of "TamJai" and "SamGor".

The Group manages its business as a single unit and, accordingly, the operation of restaurants is the only reporting segment and virtually all of the revenue and operating profit is derived from this business segment. The financial statements are already presented in a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment. Accordingly, no separate business segment information is disclosed.

Revenue represents the sales value of food and beverages.

(b) Geographic information

As the Group's operations and non-current assets are mainly located in Hong Kong, no additional geographical segment information is presented.

5 OTHER REVENUE AND OTHER NET LOSS

	Six months ended 30 September	
	2021	2020
	$'000	*$'000*
Other revenue		
Bank interest income	**239**	793
Government subsidies *(note)*	**1,969**	89,631
COVID-19-related rent concessions	**273**	7,150
Sundry income	**47**	838
	2,528	98,412
Other net loss		
Loss on disposal of property, plant and equipment	**(499)**	(503)
Gain on disposal of right-of-use assets	**31**	140
	(468)	(363)

Note: These mainly represented subsidies provided by governments of the Hong Kong Special Administrative Region and Singapore to the Group for the purpose of easing the impact caused by COVID-19. There were no unfulfilled conditions attaching to these government subsidies.

6 PROFIT BEFORE TAXATION

The Group's profit before taxation is arrived at after charging/(crediting):

	Six months ended 30 September	
	2021	2020
	$'000	*$'000*
(a) Finance costs		
Interest on lease liabilities	**6,870**	6,914
(b) Other items		
Cost of food and beverages consumed	**267,592**	189,962
Depreciation		
— owned property, plant and equipment	**42,484**	28,459
— right-of-use assets	**166,378**	147,210
Variable lease payments, net of COVID-19-related rent concessions, not included in the measurement of lease liabilities		
— variable lease payments	**4,783**	1,812
— COVID-19-related rent concessions, not included in the measurement of lease liabilities	**(3,691)**	(1,812)

7 INCOME TAX EXPENSE

	Six months ended 30 September	
	2021	2020
	$'000	*$'000*
Current tax — Hong Kong Profits Tax		
Provision for the period	**37,517**	18,967
Deferred tax		
Origination and reversal of temporary differences	**(6,172)**	(5,078)
	31,345	13,889

The provision for Hong Kong Profits Tax for the six months ended 30 September 2021 is calculated at 16.5% (six months ended 30 September 2020: 16.5%) of the estimated assessable profits, except for one qualifying entity (the "**Qualifying Entity**") of the Group that is under the two-tiered Profits Tax rate regime.

For the Qualifying Entity, the first $2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this entity was calculated at the same basis in 2020. The profits of group entities not qualifying for the two-tiered Profits Tax rate regime will continue to be taxed at a flat rate of 16.5%.

Taxation for subsidiaries outside Hong Kong is charged at the appropriate current rates of taxation ruling in the relevant jurisdictions. No provision for tax outside Hong Kong has been made in the consolidated interim financial statements as the Group did not have any assessable profits generated by these subsidiaries for the six months ended 30 September 2021 and 2020.

8 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of $137,871,000 (six months ended 30 September 2020: $156,232,000) and the weighted average of 1,000,000,000 ordinary shares (2020: 1,000,000,000 ordinary shares) in issue during the interim period. The number of ordinary shares in issue has taken into account of the share subdivision for one existing share subdivided into 100,000 shares completed pursuant to the sole shareholder's resolution passed on 25 March 2021, and after deducting shares held by a trust under a share award scheme.

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of $137,871,000 (six months ended 30 September 2020: $156,232,000) and the weighted average number of ordinary shares of 1,002,025,000 shares (2020: 1,000,000,000 shares), calculated as follows:

Weighted average number of ordinary shares (diluted)

	Six months ended 30 September	
	2021	2020
	'000	*'000*
Weighted average number of ordinary shares used in calculating basic earnings per share	**1,000,000**	1,000,000
Effect of deemed issue of ordinary shares under the Company's share award scheme	**1,466**	—
Effect of outstanding share options	**559**	—
	1,002,025	1,000,000

9 DIVIDENDS

(a) Dividends payable to equity shareholders of the Company attributable to the interim period

The Board of the Company does not recommend the payment of an interim dividend in respect of the six months ended 30 September 2021 (2020: Nil).

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the interim period

	Six months ended 30 September	
	2021	2020
	$'000	*$'000*
Interim dividends in respect of the previous financial year of 28 cents per share (2020: Nil cents per share)	**280,000**	—

10 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

(a) Right-of-use assets

During the six months ended 30 September 2021, the Group entered into a number of tenancy agreements for use of properties as its restaurants and offices and therefore recognised additions to right-of-use assets of $183,507,000 (six months ended 30 September 2020: $205,358,000).

As disclosed in notes 3, 5 and 6(b), the Group has adopted Amendment to HKFRS 16, *Covid-19-related rent concessions beyond 30 June 2021*, and applies the practical expedient to all eligible rent concessions received by the Group during the period.

(b) Acquisitions and disposals of owned assets

During the six months ended 30 September 2021, the Group acquired items of plant and machinery with a cost of $41,265,000 (six months ended 30 September 2020: $37,374,000). Items of plant and machinery with a net book value of $499,000 were disposed of during the six months ended 30 September 2021 (six months ended 30 September 2020: $577,000), resulting in a loss on disposal of $499,000 (six months ended 30 September 2020: $503,000).

11 TRADE AND OTHER RECEIVABLES

As of the end of the reporting period, the ageing analysis of trade receivables (which are included in trade and other receivables), based on the invoice date and net of loss allowance, is as follows:

	At 30 September 2021	At 31 March 2021
	$'000	*$'000*
Less than 30 days	**13,669**	15,001
31 to 60 days	**174**	66
61 to 90 days	**8**	40
91 to 120 days	**2**	2
Trade receivables, net of loss allowance	**13,853**	15,109
Other receivables	**5,234**	11,205
Trade and other receivables	**19,087**	26,314

12 TRADE AND OTHER PAYABLES AND ACCRUALS

As of the end of the reporting period, the ageing analysis of trade payables (which are included in trade and other payables and accruals), based on the invoice date, is as follows:

	At 30 September 2021	At 31 March 2021
	$'000	*$'000*
Less than 30 days	**45,676**	37,626
31 to 60 days	**618**	6,949
61 to 90 days	**1**	20
Trade payables	**46,295**	44,595
Other payables and accruals	**118,308**	124,543
Contract liabilities	**189**	1,027
Trade and other payables and accruals	**164,792**	170,165

13 SHARE CAPITAL

	No. of shares	**Amount**
		$'000
Ordinary shares, issued and fully paid:		
At 1 April 2020	10,000	10
Share subdivision *(Note i)*	999,990,000	—
Shares issued under share award scheme *(Note ii)*	2,024,000	—
At 31 March 2021 and 1 April 2021	**1,002,024,000**	**10**
Shares issued under share award scheme *(Note ii)*	**3,000,000**	**—**
At 30 September 2021	**1,005,024,000**	**10**

Notes:

(i) By way of the sole shareholder's resolution passed on 25 March 2021, a total number of 10,000 issued ordinary shares of the Company with an aggregate value of $10,000 were subdivided into 1,000,000,000 ordinary shares.

(ii) On 25 March 2021 and 9 August 2021, 2,024,000 and 3,000,000 ordinary shares were allotted and issued to a trust set up by the Company for a share award scheme at a subscription price of $20.24 and $30.00 respectively.

Corporate Governance

Given that the shares of the Company (the "**Shares**") were not yet listed on the Stock Exchange as at 30 September 2021, the principles and code provisions of the corporate governance code (the "**Corporate Governance Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") did not apply to the Company during the six months ended 30 September 2021. The Company has adopted the principles and code provisions of the Corporate Governance Code as the basis of the Company's corporate governance practices, and the Corporate Governance Code has been applicable to the Company with effect from 7 October 2021, being the date on which dealings in the Shares first commenced on the Stock Exchange (the "**Listing Date**").

From the Listing Date to the date of this interim results announcement, so far as the Directors are aware, the Company has complied with all the code provisions of the Corporate Governance Code, except for the following deviation:

According to code provision A.2.1 of the Corporate Governance Code in Appendix 14 to the Listing Rules, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Lau Tat Man is currently the chairman and chief executive officer of the Company. In view of the fact that Mr. Lau has been assuming the responsibilities in the overall management and supervision of the daily operations of the Group since October 2018, the Board believes that it is in the best interest of the Group to have Mr. Lau taking up both roles for effective management and operations. Therefore, the Directors consider that the deviation from such code provision is appropriate. Notwithstanding such deviation, the Directors are of the view that the Board is able to work efficiently and perform its responsibilities with all key and appropriate issues discussed in a timely manner.

Compliance with the Model Code for Directors' Securities Transactions

As the Shares were not yet listed on the Stock Exchange as at 30 September 2021, the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules did not apply to the Company during the six months ended 30 September 2021.

The Company has adopted the Model Code with effect from the Listing Date as the standard for securities transactions by the Directors and the provisions of the Listing Rules regarding Directors' compliance with the Model Code are applicable to the Directors with effect from the Listing Date. All Directors have confirmed, following specific enquiry made by the Company, that they have complied with the guidelines contained in the Model Code since the Listing Date up to the date of this interim results announcement.

Purchase, Sale or Redemption of the Company's Listed Securities

Except for the Company's global offering as described in the Company's prospectus dated 23 September 2021, the Company and its subsidiaries did not purchase, sell or redeem any of the listed securities of the Company from 1 April 2021 up to the date of this interim results announcement.

Review of Interim Results by the Audit Committee

The audit committee of the Company (the "**Audit Committee**") currently comprises three independent non-executive Directors, namely Mr. Lee Kwok Ming, Mr. Loo Kwok Wing and Mr. Yeung Yiu Keung. Mr. Lee Kwok Ming is the Chairman of the Audit Committee, who possesses appropriate professional qualifications as required under Rule 3.10(2) of the Listing Rules. The Audit Committee has reviewed the interim results of the Company for the six months ended 30 September 2021, the accounting principles and practices adopted by the Company as well as internal control and financial reporting matters.

Interim Dividend

The Board does not recommend the payment of an interim dividend in respect of the six months ended 30 September 2021 (2020: Nil).

Publication of interim results announcement and interim report

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.tamjai-intl.com) respectively. The interim report of the Company for the six months ended 30 September 2021 will be dispatched to shareholders of the Company and available on the same websites in due course.

II INSIDE INFORMATION — UNAUDITED FINANCIAL RESULTS OF THE CONTROLLING SHAREHOLDER, TORIDOLL HOLDINGS CORPORATION, FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

The following disclosures are made pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

As at the date of this announcement, Toridoll Japan is interested in approximately 74.61% of the issued share capital of the Company.

Toridoll Japan publishes unaudited quarterly and annual financial results announcements pursuant to the applicable disclosure requirements in Japan. Such filing contains, among others, periodic financial information of Toridoll Japan prepared in accordance with the International Financial Reporting Standards ("**IFRS**") on a consolidated basis, explanatory statements on such financial information, and certain operating statistics and plans about the operation of its business segments. Toridoll Japan's announcements and financial reports are available in the public domain.

Toridoll Japan has announced and filed its unaudited financial results for the six months ended 30 September 2021 (the "**Toridoll Japan Financial Results**") on 12 November 2021 (at about 4:00 p.m. Hong Kong time). On the same day, Toridoll Japan has also posted presentation materials in respect of the Toridoll Japan Financial Results on its website (together with the Toridoll Japan Financial Results, the "**Toridoll Japan Disclosures**"). The Toridoll Japan Disclosures include certain financial and operational information and estimates of its overseas business segment which covers the Group. If you wish to review the Toridoll Japan Disclosures, please visit https://www.toridoll.com/en/ir/library/account.html.

Toridoll Japan's financial results were prepared in accordance with IFRS on a consolidated basis without taking into account the impact or effect of any intra-group transactions that are otherwise relevant for the purpose of the Group's reporting and disclosure under HKFRSs and the Listing Rules. As such, the financial results and related information set forth in the Toridoll Japan Disclosures, to the extent that they relate to the Group, are not directly comparable to the financial results and related financial information that the Company will disclose as a company listed on the Main Board of the Stock Exchange.

The Toridoll Japan Disclosures contain forward-looking financial estimates and/or management targets relating to its overseas business segment. Such estimates and targets include, among others, the estimated revenue, profit and profit margin for the year ending 31 March 2022 and certain plans of Toridoll Japan's overseas business segment that includes the Group. Toridoll Japan has full and independent discretion as to the determination of such forward-looking information by considering factors which Toridoll Japan considers appropriate and relevant for its reporting and disclosure purposes. Forward-looking information involves important risks and uncertainties that could significantly affect anticipated results in the future and, accordingly, the Company's financial results may differ from those expressed in any forward-looking statements made by Toridoll Japan in the Toridoll Japan Disclosures. In light of the risks and uncertainties, the inclusion of forward-looking information in the Toridoll Japan Disclosures should not be regarded as representation by the Board or the Company that the plans and objectives will be achieved.

Shareholders of the Company and potential investors are advised not to place undue reliance on the contents of the Toridoll Japan Disclosures and to exercise caution when dealing in the securities of the Company.

By order of the Board
Tam Jai International Co. Limited
Lau Tat Man
Chairman of the Board and Chief Executive Officer

Hong Kong, 12 November 2021

As at the date of this announcement, the executive Directors are Mr. Lau Tat Man, Ms. Chan Ping, Rita and Mr. Lee Yuk Hang, the non-executive Directors are Mr. Tanaka Kimihiro, Mr. Sugiyama Takashi and Mr. Shinkuma Satoshi, and the independent non-executive Directors are Mr. Lee Kwok Ming, Mr. Loo Kwok Wing and Mr. Yeung Yiu Keung.