Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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

(Incorporated in Hong Kong with limited liability)

(Stock Code: 2217)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

The board (the "**Board**") of directors (the "**Directors**") of Tam Jai International Co. Limited ("**TJI**" or the "**Company**" and together with its subsidiaries, the "**Group**", "**we**", "**us**" or "**our**") announces the unaudited consolidated results of the Group for the six months ended 30 September 2022 ("**1H2023**").

FINANCIAL HIGHLIGHTS

	Six months ended 30 September 2022 HK$'000 (Unaudited)	Six months ended 30 September 2021 HK$'000 (Unaudited)	Change in percentage %
Consolidated statement of profit or loss			
Revenue	**1,261,721**	1,181,494	6.8%
Profit before taxation	**101,413**	169,216	−40.1%
Profit for the period	**82,775**	137,871	−40.0%
Profit margin	**6.6%**	11.7%	
Per share data *(HK cents)*			
Basic earnings	**6.2**	13.8	
Diluted earnings	**6.2**	13.8	

	At 30 September 2022 HK$'000 (Unaudited)	At 31 March 2022 HK$'000 (Audited)	Change in percentage %
Consolidated statement of financial position			
Non-current assets	**1,178,093**	1,055,739	11.6%
Current assets	**1,453,861**	1,513,008	−3.9%
Non-current liabilities	**519,610**	443,050	17.3%
Current liabilities	**634,033**	572,330	10.8%
Capital and reserves	**1,478,311**	1,553,367	−4.8%
Key financial ratios			
Current ratio(1)	**2.3**	2.6	
Quick ratio(2)	**2.3**	2.6	
Return on assets(3)	**6.4%**	10.2%	
Return on equity(4)	**10.9%**	19.3%	

Notes:

(1) 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.

(2) 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.

(3) 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%.

(4) 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%.

CHAIRMAN STATEMENT

This is our first anniversary since the successful listing of TJI. We are excited to have added a new country, Japan, to our growing restaurant network. It also represents the development of the Group has been on track and we are fully equipped with the infrastructures and talents to execute the expansion plan in accordance with the mandate set out in our prospectus dated 23 September 2021 (the "**Prospectus**").

On the other hand, 1H2023 has been a bumpy journey. The realisation of our development plan has been disrupted by the unforeseen development of COVID-19 situation and the global economic downturn, which have negatively impacted our businesses.

It has been a difficult time for the entire food and beverage ("**F&B**") sector, in which we have all had weathered strong market headwinds with the 5th wave of COVID-19 and its related policies shadowing the whole period in Hong Kong and Mainland China, sandwiched by rapid inflation and deterioration of global economy which substantially lowered the demands. Under such circumstances, our team has quickly adjusted our development plan such that we could still cautiously manage to keep business growth on track while mitigating the impact of the aforementioned factors to our business through the ups and downs in the pandemic.

Despite dampened consumer sentiment in face of a weak economy, revenue has been picking up quarter-on-quarter. The growth momentum is expected to continue well into the second half of the financial year ending 31 March 2023 ("**FY2023**") along with the gradual easing of social distancing policies. This would not have happened without the restless effort of our team — whether it was on new restaurants opening, marketing and promotions, new products development, supply chain and human resources management as well as overall enhancements to our business system, I would like to extend my sincere thanks to our team.

Cautious and strategic development

Looking back in 1H2023, Hong Kong business managed to maintain steady profit margin amidst the COVID-19 situation and economic downturn, while Singapore's business made a good progress in general. Our businesses in Mainland China and Japan slowed down on the expansion pace and we are striving for improvement to turn them profitable. Apart from the continuous optimisation of our business operations, we have also been expanding our restaurant network with caution and clearly defined strategic goals. We keep long-term growth in our mind while remaining prudent to keep our business profitable and winning through stability.

Meanwhile, we are also looking into potential collaboration with brands under Toridoll Holdings Corporation ("**Toridoll Japan**"), our controlling shareholder, to optimise the opportunities in growth and overheads.

Brand achievement and digitalisation

TamJai Yunnan Mixian (譚仔雲南米線) ("**TamJai**") and TamJai SamGor Mixian (譚仔三哥米線) ("**SamGor**") are brands beloved by Hong Kong people and those who share a connection to this amazing city. It is a Hong Kong love affair packed in one bowl.

Our innovative, humourous, yet relevant approach in our marketing and branding campaigns, touching the sentiments of Hong Kong people and providing them with happy surprises, not only gained strong presence for our brands in the market, but also won numerous professional awards. With the focus of promoting digitalisation and improving our customer dining experience, the customer relationship management ("**CRM**") system of both SamGor and TamJai brands will be fully launched in the third quarter of FY2023, which is expected to help promote our brands' stickiness and drive revenue growth in the long term.

Thanks to our consistent effort in reaching out to the audience and resonating with them, our brands stay as ones of the Hong Kong people's favorites. We believe that this will help our Group stand out amid intensive price competition in the industry, and thrive when the market sentiments improve.

Sustainable development

We have always been dedicated to the promotion of sustainable development. Tam Jai Goodness Trust (譚仔美善基金) was one of the various initiatives launched during 1H2023 to promote sustainability and well-being of our customers, employees and partners under three environmental, social and governance **("ESG")** pillars: "Nourishing Communities", "Uplifting People" and "Preserving Nature".

Other programmes, such as TJI Education Support Scheme, "Go Green" menu and the charitable non-fungible token ("**NFT**") project, were also successfully launched and earned recognition from the public and our staff. We spare no effort to contribute back to our society.

Positioned for a steady growth and recovery

I want to reassure you that, despite all these challenges, we have been able to position ourselves for a steady growth and recovery through agile management, prudent restaurant network expansion, impactful brand-building and deploying manpower and resources efficiency. To further cushion ourselves from the continuous, high inflation down the road, we have already put different business initiatives in place, such as the full implementation of the supply chain management ("**SCM**") system and CRM system.

Acknowledgement

Lastly, I would like to express my heartfelt thanks to our people. I would also like to thank our customers, vendors, landlords and professional parties for their unwavering support.

Life is indeed a mixture. We have persisted through the severe test on the resilience of our business, and yet grasped the opportunities that can maximise our potential for success. Looking forward, we believe that all the adversities shall pass, and the solid foundations we have laid shall elevate us to new height.

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

MANAGEMENT DISCUSSION AND ANALYSIS

Industry overview

The F&B industry in Hong Kong and across the world has been severely affected by the headwind of inflation, supply chain disruption and also the looming prospect of a global economic downturn. The situation was further complicated by COVID-19-related social distancing measures and restrictions that are still in place.

Restaurants are facing with rising ingredients costs caused by general inflation, and the instability across the global supply chain amid the ongoing conflict in Ukraine. Labour costs are also edging up because of the widening labour shortage.

Consumer sentiments are dampened by the gloomy economic outlook. Hong Kong's gross domestic product (**GDP**) had contracted by 4.5% as an advance estimate year-on-year in real terms in the third quarter of 2022, after a decrease of 1.3% in the second quarter of 2022. The restaurant receipts value in Hong Kong from April 2022 to September 2022 also decreased by 3.5% year-on-year. Our restaurants' revenue was inevitably impacted because of the lingering effect of the COVID-19-related measures.

Business overview

As at 30 September 2022, we had a total of 208 restaurants across Hong Kong, Mainland China, Singapore and Japan. In 1H2023, our revenue reached HK$1,261.7 million, a 6.8% period-on-period increase as compared with the six months ended 30 September 2021 ("**1H2022**") (1H2022: HK$1,181.5 million). The revenue increase was mainly driven by restaurant network expansion, with Hong Kong being the main revenue contributor.

Profit of the period was HK$82.8 million in 1H2023 (1H2022: HK$137.9 million). Basic earnings per share were HK6.2 cents in 1H2023 (1H2022: HK13.8 cents).

Hong Kong

During 1H2023, our revenue performance in Hong Kong was hit by the lingering effect of the 5th wave of COVID-19 brought forward from the end of the last financial year, in addition to the adverse market sentiments brought by the global and local economic downturn. These had lowered people's desire of dining out, and hence our overall revenue volume was affected. Despite this, we still managed to maintain a stable profit margin of 19.4% in Hong Kong, a similar level we achieved before COVID-19. Our revenue performance gradually improved following the relaxation of social distancing measures in the first quarter of FY2023, and our revenue performance in Hong Kong in the second quarter of FY2023 had recovered to approximately the pre-5th wave of COVID-19 level.

In response to weak market sentiments and changing consumer behaviors, we have launched a series of value offers for takeaway and delivery orders. We also attracted customers through new products launch and collaborations with various brands, key opinion leaders ("**KOLs**") and celebrities. Our new SamGor mobile application (app) and CRM system were soft-launched during 1H2023, paving the way for mobile ordering and our brand loyalty programme.

Although 1H2023 was very challenging, we still managed to accomplish the restaurant opening goal as scheduled, and met the revenue target for most of the new restaurants.

Mainland China

Our business in Mainland China during 1H2023 was adversely impacted by multiple rounds of lockdowns across different cities and districts in the Greater Bay Area, and the mandatory polymerase chain reaction ("**PCR**") test policies.

Notwithstanding the severe business environment in Mainland China, our brand was well recognised. The performance of our new restaurants in Guangzhou and Dongguan, where less stringent control measures were in place due to relatively fewer COVID-19 cases, had been encouraging since the opening.

We had reviewed all the restaurants in our opening pipelines and selected to only open in those strategic locations, such as Guangzhou and other second tier cities. We had also launched a CRM programme and expanded the scale of takeaway and delivery services through the new valued-set meals on third-party delivery platforms such as Dianping, Meituan and Wechat, in addition to extensive social media campaigns. Various cost control measures were also implemented to streamline food and labour costs, besides stepping up our negotiations with landlords for rent concessions.

Singapore

Our business in Singapore has stabilised as the country re-opened under its "Living with COVID-19" policy, and our brand awareness has also increased gradually in the local market. Our revenue performance has continued the strong rebound since the last quarter of the financial year ended 31 March 2022. However, the business development has been somewhat limited by the weak labour supply in the country. Despite the challenges, we carried on our expansion plan with the introduction of an express model to enhance our operational efficiency and facilitate staff management.

Japan

As a newly established brand in Japan, we have been focusing on incubating the brand, adjusting our operation model, fostering our mixian into the local dining culture and calibrating our market position. In 1H2023, the capital expenditures and market entry expenses incurred were higher than expected as a result of the delay of the opening of 2 restaurants, in addition to the unanticipatedly high initial recruitment costs to compete in a market with low labour availability. Our revenue performance was also hit by the spike in new COVID-19 cases in Tokyo during the second quarter of FY2023. Still, we have maintained our pace in talent recruitment and marketing to raise brand awareness as we remain optimistic about the long term market potential in Japan.

Operation highlights

Restaurant network expansion

During 1H2023, we opened 19 new restaurants in Hong Kong, 9 in Mainland China, 5 in Singapore, and 2 in Japan, respectively, reaching a total of 208 restaurants across the world as at 30 September 2022. We still met the restaurant network expansion targets in Hong Kong, while we had slowed down the expansion pace in Mainland China and Japan.

Supply chain arrangement

The recent wave of inflation had put considerable strain on our profit margin, we were able to largely mitigate the impact with flexibility and innovation by looking into direct sourcing and ingredients localisation; and partnering with selected original equipment manufacturer ("**OEM**") suppliers where applicable across the markets for better efficiencies in high volume purchases; as well as sourcing ingredients substitution of same or better quality and at lower cost. This had helped to minimise logistics hiccups and costs, and mitigated the risk of supply chain disruption.

The development of new products and combo menus was also in full swing to enable upselling and costs mitigation. The SCM system was put in place to monitor the flow and the cost of food and beverages consumed across the Group, while menu enhancement and price adjustments were carried out to mitigate the pressure from inflation.

Staff cost management

Our productivity has remained high. We managed to maintain a stable staff cost level as a percentage to revenue in 1H2023 as compared to 1H2022 despite the revenue declined in comparable restaurants and the increased staff pay and benefits. During 1H2023, the pressure on the rostering was even higher with the COVID-19-related sick leaves taken by our employees. The pressure was lightened through our smart rostering system, which improves cost efficiency in staff management. On the other hand, we also carried on with our investment in staff training by setting up a new training centre in Shenzhen, which will further enhance our manpower efficiency in the long term.

Corporate social responsibility initiatives and sustainability

In August 2022, we officially established the Tam Jai Goodness Trust (譚仔美善基金) to support various sustainability programmes and schemes launched under the framework of one of our core ESG pillars — "Uplifting People". In which, the TJI Education Support Scheme for Employees' Children was expanded to include employees of all Hong Kong businesses under the Group, granting a total of around HK$1.2 million in scholarships to the children of 35 employees, supporting their tertiary education in Hong Kong.

Inspired by our other core ESG pillar — "Preserving Nature", we are committed to promoting variety and caring for our environment, as we rolled out a "Go Green" menu by partnering with OmniFoods and Impossible Foods.

Our charitable NFT was created through collaboration with local illustrators to raise funds for "Out of the Cube", a project organised by Hong Kong Arts Centre to nurture homegrown artists. We also worked with People On Board and Hong Kong Community Colleague students to design boardgames for SamGor and TamJai. These are part of the activities held under the "Nourishing Communities" pillar, in accordance with our ESG vision.

We had also worked with various other local charities including St James Settlement, Hong Kong Society for the Deaf, and Heep Hong Society to contribute to different pockets of our local community.

Brand Stickiness and Loyalty

To further facilitate a more effective and interactive communication with our customers, we conducted various digital initiatives, including the soft-launch of the new SamGor app featuring a CRM system that offers mobile ordering functions and a loyalty programme, which helps to promote brand stickiness and drive revenue growth in the long term. The response since the launch of the app has been overwhelming.

As one of the most loved and exciting brands in Hong Kong, our various branding campaigns were a great hit during 1H2023, including our "2022 TamJai Jeh Jeh x MC $oho & KidNey MV — 夢想成真 2022" campaign and the launch of the first-ever NFT in the industry, Souper Hero, for a charitable cause. The charitable NFT generated over HK$28.8 million of PR value in just a month.

In July 2022, we also launched the TamJai SamGor 2022 Branding Campaign: 'Life's a mixture, we taste it all', which went viral. The campaign took a deep dive into the emotional roller coaster of everyone in Hong Kong whose mental health and well-being were rocked by the prolonged restrictions under COVID-19. We drew a perfect allegory between the familiar taste of our mixed spices, and the mixture of emotions felt by every person in Hong Kong. The campaign went viral on social media and generated over 2.9 million video views, making it the second-ranked branded social media video on Facebook and Instagram in just two weeks. On top of that, it accumulated over 6.4 million impressions and generated over HK$22.0 million of PR value. Our "TamJai Jeh Jeh x MC $oho & KidNey MV — 夢想成真 2022" campaign, also won many accolades at the PRAwards 2022, including Best Viral Campaign (Gold) and Best Use of Technology (Gold).

These successful campaigns swept over 30 public relations and marketing awards, including the following:

Award for Innovation in Investor Relations — Gold Award: Asia-Pacific Stevie® Awards

NEXXCREATE Digital Entertainment Awards 2022 — Top 10 Excellence in Art Tech Business Cases Awards

IFTA FinTech and Innovation Awards 2021/2022 — Corporate Achievements — Metaverse, NFT, And DeFi (Platinum)

PR Awards — Best of Show — Brand (Grand Prize)

Markies — Best Idea — Public Relations (Gold)

Prospect

Ever since the start of the pandemic, we have been dedicating ourselves to the optimisation of our business processes, cost controls, and supply chain management while pushing forward our commitment to restaurant network expansion. This involved opening restaurants in strategic locations, and investing in brand building. We believe that all these are going to be paid off in the near future.

In Hong Kong, we have been able to meet the performance target for most of the new restaurants as performance picked up gradually, despite a delay in the expansion plan of our central kitchen following the development pace. We expect our profit margin to stabilise because of the various cost-control measures and an improvement of restaurant-level operation efficiency with the help of our SCM and CRM systems. In addition to the successful soft-launch of the SamGor app in 1H2023, the brand-new TamJai app and its loyalty programme will also become available in the second half of FY2023.

Meanwhile, we will continue to provide Toridoll Holding Limited ("**Toridoll HK**"), a controlling shareholder of the Company, and its subsidiaries with management support services for their Marugame business in Hong Kong, and will explore opportunities for business synergies through collaborating with the brands under Toridoll Japan.

Outside Hong Kong, our encouraging performance in Singapore already demonstrated our operation model is viable in the overseas markets. However, we had slowed down our expansion pace and delayed the expansion of our central kitchens in Mainland China and Japan, amid the uncertainty of the global economic environment and the ongoing COVID-19 situation. Nonetheless, we still have high hopes for the potential in Mainland China and overseas markets with the infrastructure and foundation we have established, including branding and marketing, talent recruitment, and staff training, we are well-equipped for resilient growth in the future when the markets recover.

Performance of restaurant operations

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

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. 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.

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		
	2022	2021	Change in percentage
	HK$'000	*HK$'000*	*%*
Revenue	**1,261,721**	1,181,494	6.8%
Restaurant and central kitchen operating costs:			
— Cost of food and beverages consumed	**(302,083)**	(267,592)	12.9%
— Staff costs[1]	**(327,154)**	(296,507)	10.3%
— Depreciation of right-of-use assets, rental and related expenses[1]	**(234,170)**	(190,642)	22.8%
— Consumables and packaging	**(41,109)**	(28,812)	42.7%
— Utilities expenses	**(35,488)**	(27,400)	29.5%
— Handling charges	**(40,582)**	(18,890)	114.8%
— Advertising and promotion	**(25,230)**	(18,322)	37.7%
— Cleaning expenses	**(10,839)**	(7,738)	40.1%
— Repairs and maintenance	**(8,451)**	(7,175)	17.8%
— Other expenses[1]	**(21,128)**	(15,093)	40.0%
Operating profit	**215,487**	303,323	–29.0%
Operating profit margin	**17.1%**	25.7%	

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".

	Six months ended 30 September		Change in
	2022	2021	percentage
Operating profit/(loss) by geographical location	***HK$'000***	*HK$'000*	*%*
Hong Kong	**232,357**	306,322	−24.1%
Mainland China and overseas markets	**(16,870)**	(2,999)	−462.5%
Total	**215,487**	303,323	−29.0%
Operating profit margin by geographical location			
Hong Kong	**19.4%**	26.4%	
Mainland China and overseas markets	**−26.6%**	−13.4%	
Overall	**17.1%**	25.7%	

The operating profit margin of our restaurant operations decreased from 25.7% in 1H2022 to 17.1% in 1H2023, mainly due to (i) increase in cost of food and beverages consumed as a percentage of revenue as a result of food cost inflation; (ii) increase in our handling charges as a percentage of revenue due to a more favorable rate offered by the delivery platforms in 1H2022; (iii) increase in our consumables and packaging expenses, depreciation of right-of-use assets, rental and related expenses as a percentage of revenue owing to the unfavorable restaurant performance; and (iv) increase in advertising and promotion as a percentage of revenue because of the market entry advertising cost in Japan as well as general increase in the marketing and branding expenditure in Mainland China, Singapore and Hong Kong.

Restaurant network

As at 30 September 2022, we had a total number of 208 self-operated restaurants located in Hong Kong, Mainland China, Singapore and Japan. In 1H2023, we recorded revenue amounting to HK$1,261.7 million. The following tables set forth the number of restaurants by geographic location as at the dates indicated:

	Number of SamGor restaurants at 30 September		Number of TamJai restaurants at 30 September	
	2022	2021	**2022**	2021
Number of restaurants				
Hong Kong	**90**	74	**89**	76
Mainland China	**—**	—	**17**	4
Singapore	**9**	3	**—**	—
Japan	**3**	—	**—**	—
Total	**102**	77	**106**	80

Revenue

Our revenue increased by 6.8% from HK$1,181.5 million in 1H2022 to HK$1,261.7 million in 1H2023. The increase was mainly due to the increase in the number of restaurants in operation.

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		
	2022	2021	Change in percentage
	HK$'000	*HK$'000*	*%*
Hong Kong	**1,198,391**	1,159,117	3.4%
Mainland China and overseas markets	**63,330**	22,377	183.0%
Total	**1,261,721**	1,181,494	6.8%
— Dine-in	**51.4%**	57.1%	
— Takeaway and delivery[1]	**48.6%**	42.9%	

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		
	2022	2021	Change in percentage
	HK$'000	*HK$'000*	*%*
Hong Kong	**1,004,185**	1,103,583	−9.0%
Singapore	**15,422**	10,702	44.1%
Total	**1,019,607**	1,114,285	−8.5%

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. There were no comparable restaurants located in Mainland China and Japan for the six months ended 30 September 2021 and 2022.

Our overall comparable restaurants revenue decreased by 8.5% from HK$1,114.3 million in 1H2022 to HK$1,019.6 million in 1H2023. In Hong Kong, the comparable restaurants revenue decreased by 9.0% from HK$1,103.6 million in 1H2022 to HK$1,004.2 million in 1H2023 because of the adverse market sentiments and the tightened social distancing measures at the beginning of 1H2023 due to the 5th wave of COVID-19 outbreak. The revenue performance in Hong Kong had gradually recovered since the relaxation of the social distancing measures in late April 2022. Our comparable restaurants revenue in Singapore increased significantly by 44.1% from HK$10.7 million in 1H2022 to HK$15.4 million in 1H2023, as evidenced by both the increase in average daily revenue per restaurant and average daily number of bowls served per seat.

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	
	2022	2021
Average spending per customer (HK$)(1)		
Hong Kong	**61.1**	59.5
Mainland China	**49.1**	61.8
Singapore	**82.7**	85.0
Japan	**64.1**	—
Overall	**61.2**	59.6
Average daily number of bowls served per seat(2)		
Hong Kong	**6.0**	6.8
Mainland China	**3.1**	6.4
Singapore	**4.4**	2.4
Japan	**5.2**	—
Overall	**5.9**	6.7
Average daily revenue per restaurant (HK$)(3)		
Hong Kong	**38,581**	43,546
Mainland China	**11,540**	30,643
Singapore	**25,511**	19,494
Japan	**20,265**	—
Overall	**36,213**	42,889

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 6.8% from HK$1,181.5 million in 1H2022 to HK$1,261.7 million in 1H2023. The increase was mainly due to the rise in the number of restaurants in operation.

Cost of food and beverages consumed

Our cost of food and beverages consumed increased by 12.9% from HK$267.6 million in 1H2022 to HK$302.1 million in 1H2023, which was mainly due to the expansion of our restaurant operation and food cost inflation. Our cost of food and beverages consumed as a percentage of revenue was 22.6% and 23.9% in 1H2022 and 1H2023, respectively.

Other net income

Our other net income increased significantly from HK$2.1 million in 1H2022 to HK$51.0 million in 1H2023, primarily attributable to the increase in government subsidies from governments of the Hong Kong Special Administrative Region and Singapore to the Group for the purpose of easing the impact caused by COVID-19.

Staff costs

Our overall staff costs (including restaurant, central kitchen and headquarters and office staff) increased by 13.0% from HK$358.5 million in 1H2022 to HK$405.2 million in 1H2023, 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 Mainland China, Singapore and Japan markets. Our staff costs as a percentage of revenue was 30.3% and 32.1% in 1H2022 and 1H2023, respectively.

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

	Six months ended 30 September			
	2022		2021	
	HK$'000	*%*	*HK$'000*	*%*
Restaurant staff	**314,665**	**77.6%**	284,888	79.5%
Central kitchen staff	**12,489**	**3.1%**	11,619	3.2%
Headquarters and office staff	**78,092**	**19.3%**	62,039	17.3%
Total	**405,246**	**100%**	358,546	100%

Depreciation of owned property, plant and equipment

Our depreciation of owned property, plant and equipment increased by 40.4% from HK$42.5 million in 1H2022 to HK$59.7 million in 1H2023, 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 22.8% from HK$196.8 million in 1H2022 to HK$241.7 million in 1H2023, mainly attributable to the increase in the number of our restaurants and headquarters and office expansion.

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			
	2022		2021	
	HK$'000	*%*	*HK$'000*	*%*
Depreciation of right-of-use assets, rental and related expenses attributable to:				
— Restaurants	**227,860**	**94.3%**	183,981	93.5%
— Central kitchen	**6,310**	**2.6%**	6,661	3.4%
— Headquarters and office	**7,577**	**3.1%**	6,169	3.1%
Total	**241,747**	**100%**	196,811	100%

Consumables and packaging

Our consumables and packaging increased by 42.7% from HK$28.8 million in 1H2022 to HK$41.1 million in 1H2023, attributable to (i) the increase in the volume of our takeaway and delivery orders, (ii) the increase in the material cost of packaging, (iii) the increase in the consumables for our new restaurants setup. Our consumables and packaging as a percentage of revenue was 2.4% and 3.3% in 1H2022 and 1H2023, respectively.

Utilities expenses

Our utilities expenses increased by 29.5% from HK$27.4 million in 1H2022 to HK$35.5 million in 1H2023, mainly attributable to the increase in the number of our restaurants. Our utilities expenses as a percentage of revenue was 2.3% and 2.8% in 1H2022 and 1H2023, respectively.

Advertising and promotion

Our advertising and promotion expenses increased by 37.7% from HK$18.3 million in 1H2022 to HK$25.2 million in 1H2023, primarily attributable to the new market entry PR campaigns and promotions in Japan, higher marketing cost in Singapore and Mainland China for the investments in brand building, as well as general increase in the marketing and branding expenditure in Hong Kong.

Other expenses

Our other expenses increased by 41.4% from HK$22.6 million in 1H2022 to HK$31.9 million in 1H2023, mainly attributable to the increase in the number of our restaurants and headquarters and office expansion.

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

	Six months ended 30 September			
	2022		2021	
	HK$'000	*%*	*HK$'000*	*%*
Other expenses attributable to:				
— Restaurants[1]	**13,176**	**41.3%**	8,980	39.8%
— Central kitchen[2]	**7,952**	**24.9%**	6,113	27.1%
— Headquarters and office[3]	**10,785**	**33.8%**	7,471	33.1%
Total	**31,913**	**100%**	22,564	100%

Notes:

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

(2) Mainly consisted of logistics expenses.

(3) Mainly consisted of service fees provided by Toridoll HK and Toridoll Japan, audit fees and other miscellaneous expenses.

Finance costs

Our finance costs increased by 31.1% from HK$6.9 million in 1H2022 to HK$9.0 million in 1H2023, which was the effect of the increase in interest on lease liabilities recognised in accordance with HKFRS 16 associated with our leases as a result of the expansion of our restaurant network during the period.

Income tax expense

Our income tax decreased from HK$31.3 million in 1H2022 to HK$18.6 million in 1H2023, which was generally in line with the decrease in our profit before taxation adjusted for government subsidies, which are non-taxable in nature. No provision for tax outside Hong Kong has been made as our subsidiaries outside Hong Kong did not have any assessable profits in 1H2022 and 1H2023.

Right-of-use assets

Our right-of-use assets increased from HK$700.8 million as at 31 March 2022 to HK$791.3 million as at 30 September 2022 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$16.0 million as at 31 March 2022 to HK$20.9 million as at 30 September 2022. Our inventory turnover days increased from 10.4 days for the year ended 31 March 2022 to 11.2 days in 1H2023.

Trade and other receivables and deposits and prepayments

Our trade and other receivables and deposits and prepayments mainly included (i) trade 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) government subsidy receivables; (iv) rental deposits to our landlords and utilities deposits; and (v) prepayments for purchases of fixed assets and insurance. Our trade and other receivables and deposits and prepayments decreased from HK$256.1 million as at 31 March 2022 to HK$220.7 million as at 30 September 2022, mainly due to the decrease in receivables of government subsidies.

Trade and other payables and accruals and deposits received

Our trade and other payables and accruals and deposits received mainly included (i) trade payables for the purchase of food ingredients and beverages for restaurant operations; (ii) accrued operating costs of our restaurants, offices and central kitchens; (iii) contract liabilities arising from the loyalty programme and coupons distributed; and (iv) deposits received from the logistics service provider. Our trade and other payables and accruals and deposits received remained stable at HK$212.9 million as at 30 September 2022 and HK$199.4 million as at 31 March 2022.

Lease liabilities

Our lease liabilities increased from HK$708.1 million as at 31 March 2022 to HK$803.8 million as at 30 September 2022, which was mainly due to new tenancy agreements for restaurants 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 2022, our cash and cash equivalents (representing the cash and bank balances excluding pledged deposits) were HK$1,324.3 million (31 March 2022: HK$1,365.2 million). The majority of the bank deposits and cash were denominated in Hong Kong dollars.

As at 30 September 2022, we did not have any interest-bearing bank and other borrowings (31 March 2022: Nil). Accordingly, the gearing ratio is not provided.

Pledge of assets

As at 30 September 2022, we pledged HK$2.0 million cash deposits to a bank in relation to the bank guarantees to landlords for our leases (31 March 2022: HK$1.4 million). Save as disclosed above, we do not have any other pledge of assets.

Foreign currency exposures

The Group's revenue and costs are mostly denominated in Hong Kong dollars, Renminbi, Singapore dollars and Japanese Yen. The fluctuations of Renminbi, Singapore dollars and Japanese Yen against Hong Kong dollars may affect the Group's results. The Group does not have any currency hedging policy and has not entered into any hedging or other instrument to reduce currency risks. The Group will continue to closely monitor the foreign currency exposure and take appropriate measures to minimise the risk when necessary.

Capital commitments

As at 30 September 2022, we had capital commitments of HK$8.2 million (31 March 2022: HK$8.4 million).

Contingent liabilities

As at the date of this 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 2022.

Material acquisitions and disposals by the Group

There were no material acquisitions and disposals of subsidiaries, associates and joint ventures in 1H2023.

Future plans for material investments

We will continue to focus on our business strategies as set out in the Prospectus. As at the date of this announcement, save as disclosed in the Prospectus, we have no plan for any other material investments or capital assets.

Employees, remuneration policy and pension scheme

As at 30 September 2022, we had 3,425 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 are 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 are 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 2022
(Expressed in Hong Kong dollars)

	Note	**Six months ended 30 September 2022 $'000**	Six months ended 30 September 2021 $'000
Revenue	3	**1,261,721**	1,181,494
Cost of food and beverages consumed		**(302,083)**	(267,592)
Other net income	4	**51,039**	2,060
Staff costs		**(405,246)**	(358,546)
Depreciation of owned property, plant and equipment		**(59,651)**	(42,484)
Depreciation of right-of-use assets, rental and related expenses		**(241,747)**	(196,811)
Consumables and packaging		**(41,109)**	(28,812)
Utilities expenses		**(35,488)**	(27,400)
Handling charges		**(40,582)**	(18,890)
Advertising and promotion		**(25,230)**	(18,322)
Cleaning expenses		**(10,839)**	(7,738)
Repairs and maintenance		**(8,451)**	(7,175)
Listing expenses		**—**	(11,134)
Other expenses		**(31,913)**	(22,564)
Finance costs	5(a)	**(9,008)**	(6,870)
Profit before taxation	5	**101,413**	169,216
Income tax expense	6	**(18,638)**	(31,345)
Profit for the period		**82,775**	137,871
Earnings per share (cents)	8		
— Basic		**6.2**	13.8
— Diluted		**6.2**	13.8

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 September 2022
(Expressed in Hong Kong dollars)

	Six months ended 30 September	
	2022	2021
	$'000	*$'000*
Profit for the period	**82,775**	137,871
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 (with nil tax effect)	**(9,417)**	283
Total comprehensive income attributable to equity shareholders of the Company for the period	**73,358**	138,154

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 September 2022
(Expressed in Hong Kong dollars)

	Note	**At 30 September 2022** **$'000**	At 31 March 2022 $'000
Non-current assets			
Property, plant and equipment		**249,992**	208,446
Right-of-use assets		**791,259**	700,819
Deposits and prepayments		**116,804**	129,723
Deferred tax assets		**20,038**	16,751
		1,178,093	1,055,739
Current assets			
Inventories		**20,899**	16,046
Trade and other receivables	9	**30,474**	57,249
Deposits and prepayments		**73,383**	69,140
Current tax recoverable		**2,782**	3,923
Cash and bank balances		**1,326,323**	1,366,650
		1,453,861	1,513,008
Current liabilities			
Trade and other payables and accruals	10	**212,719**	199,177
Deposits received		**200**	200
Lease liabilities		**346,679**	319,696
Current tax payable		**45,998**	26,594
Provisions		**28,437**	26,663
		634,033	572,330
Net current assets		**819,828**	940,678
Total assets less current liabilities		**1,997,921**	1,996,417

	Note	At 30 September 2022 $'000	At 31 March 2022 $'000
Non-current liabilities			
Lease liabilities		**457,118**	388,412
Provisions		**60,012**	53,848
Deferred tax liabilities		**2,480**	790
		519,610	443,050
Net Assets		**1,478,311**	1,553,367
Capital and reserves			
Share capital	11	**1,116,025**	1,115,972
Reserves		**362,286**	437,395
Total equity attributable to equity shareholders of the Company		**1,478,311**	1,553,367

NOTES TO THE UNAUDITED INTERIM FINANCIAL RESULTS

1 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 of Hong Kong Limited, 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 10 November 2022.

These interim financial results have been prepared in accordance with the same accounting policies adopted in the 2021/22 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2022/23 annual financial statements. Details of any changes in accounting policies are set out in note 2.

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 2021/22 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 2022 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 2022 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.

2 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:

— Amendments to HKAS 16, *Property, plant and equipment: Proceeds before intended use*

— Amendments to HKAS 37, *Provisions, contingent liabilities and contingent assets: Onerous contracts — cost of fulfilling a contract*

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:

Amendments to HKAS 16, *Property, plant and equipment: Proceeds before intended use*

The amendments prohibit an entity from deducting the proceeds from selling items produced before that asset is available for use from the cost of an item of property, plant and equipment. Instead, the sales proceeds and the related costs should be included in profit or loss. The amendments do not have a material impact on these interim financial results as the Group does not sell items produced before an item of property, plant and equipment is available for use.

Amendments to HKAS 37, *Provisions, contingent liabilities and contingent assets: Onerous contracts — cost of fulfilling a contract*

The amendments clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. The amendments do not have an impact on these interim financial results as the Group has not identified any onerous contracts for which it has not yet fulfilled all its obligations as at the beginning and the end of the reporting period.

3 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 profits are 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 and excludes value added tax or other sales taxes and is after deduction of any trade discounts.

(b) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's right-of-use assets and property, plant and equipment ("**specified non-current assets**"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of right-of-use assets and property, plant and equipment.

	Revenue from external customers		**Specified non-current assets**	
	Six months ended 30 September		**At 30 September**	At 31 March
	2022	2021	**2022**	2022
	$'000	*$'000*	***$'000***	*$'000*
Hong Kong (place of domicile)	**1,198,391**	1,159,117	**859,643**	767,831
Mainland China and overseas markets	**63,330**	22,377	**181,608**	141,434
	1,261,721	1,181,494	**1,041,251**	909,265

4 OTHER NET INCOME

	Six months ended 30 September	
	2022	2021
	$'000	*$'000*
Bank interest income	**3,516**	239
Government subsidies *(Note)*	**50,589**	1,969
Management fee income	**955**	—
COVID-19-related rent concessions	**210**	273
Gain on early termination of leases	**—**	31
Loss on disposal of owned property, plant and equipment, net	**(345)**	(499)
Exchange loss, net	**(6,110)**	(214)
Others	**2,224**	261
	51,039	2,060

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.

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	Six months ended 30 September 2022 **$'000**	2021 *$'000*
(a) Finance costs		
Interest on lease liabilities	**9,008**	6,870
(b) Other items		
Cost of inventories	**302,083**	267,592
Depreciation		
— owned property, plant and equipment	**59,651**	42,484
— right-of-use assets	**204,513**	166,378
Variable lease payments, net of COVID-19-related rent concessions, not included in the measurement of lease liabilities		
— variable lease payments	**3,351**	4,783
— COVID-19-related rent concessions	**(2,234)**	(3,691)
Impairment loss on owned property, plant and equipment	**657**	—
Impairment loss on right-of-use assets	**1,100**	—

6 INCOME TAX EXPENSE

	Six months ended 30 September 2022 $'000	2021 $'000
Current tax — Hong Kong Profits Tax		
Provision for the period	**20,549**	37,517
Deferred tax		
Origination and reversal of temporary differences	**(1,911)**	(6,172)
	18,638	31,345

The provision for Hong Kong Profits Tax for the six months ended 30 September 2022 is calculated at 16.5% (six months ended 30 September 2021: 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 2021. 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 as the Group did not have any assessable profits generated by these subsidiaries for the six months ended 30 September 2022 and 2021.

7 DIVIDENDS

The Board of Directors of the Company does not recommend the payment of an interim dividend in respect of the six months ended 30 September 2022 (2021: Nil).

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 2022 $'000	2021 $'000
Interim dividend in respect of the previous financial year of Nil cents per share (2021: 28 cents per share)	—	280,000
Final dividend in respect of the previous financial year of 11.4 cents per share (2021: Nil cents per share)	**152,417**	—
	152,417	280,000

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 $82,775,000 (six months ended 30 September 2021: $137,871,000) and the weighted average of 1,336,966,000 ordinary shares (2021: 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 issue of new shares upon global offering and under the Company's share award and share option schemes, and after deducting shares held by a trust under the share award scheme.

Weighted average number of ordinary shares

	Six months ended 30 September	
	2022	2021
	'000	*'000*
Issued ordinary shares at the beginning of the period	**1,336,955**	1,000,000
Effect of share options exercised	**11**	—
Weighted average number of ordinary shares at the end of the period	**1,336,966**	1,000,000

(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 $82,775,000 (six months ended 30 September 2021: $137,871,000) and the weighted average number of ordinary shares of 1,341,691,000 shares (2021: 1,002,025,000 shares), calculated as follows:

Weighted average number of ordinary shares (diluted)

	Six months ended 30 September	
	2022	2021
	'000	*'000*
Weighted average number of ordinary shares at the end of the period used in calculating basic earnings per share	**1,336,966**	1,000,000
Effect of deemed issue of ordinary shares under the Company's share award scheme	**3,378**	1,466
Effect of outstanding share options	**1,347**	559
Weighted average number of ordinary shares (diluted) at the end of the period	**1,341,691**	1,002,025

9 TRADE AND OTHER RECEIVABLES

As of the end of the reporting period, the ageing analysis of trade receivables, based on the invoice date and net of loss allowance, is as follows:

	At 30 September 2022 *$'000*	At 31 March 2022 *$'000*
Less than 30 days	**16,240**	14,633
31 to 60 days	**60**	379
61 to 90 days	**3**	2
Trade receivables, net of loss allowance	**16,303**	15,014
Other receivables	**14,171**	42,235
Trade and other receivables	**30,474**	57,249

The Group's trading terms with its customers are mainly on cash and smart card settlement, except for well-established corporate debtors for which the credit term is generally 30 days.

10 TRADE AND OTHER PAYABLES AND ACCRUALS

As of the end of the reporting period, the ageing analysis of trade payables, based on the invoice date, is as follows:

	At 30 September 2022 *$'000*	At 31 March 2022 *$'000*
Less than 30 days	**52,743**	36,569
31 to 60 days	**539**	762
61 to 90 days	**232**	63
Trade payables	**53,514**	37,394
Other payables and accruals	**159,113**	161,561
Contract liabilities	**92**	222
Trade and other payables and accruals	**212,719**	199,177

All of the trade and other payables and accruals are expected to be settled or recognised as income within one year or are repayable on demand.

11 SHARE CAPITAL

	Number of shares	Amount $'000
Ordinary shares, issued and fully paid:		
At 1 April 2021	1,002,024,000	10
Shares issued under share award scheme *(Note i)*	3,000,000	—
Shares issued under share option schemes *(Note ii)*	452,740	385
Shares issued upon global offering *(Note iii)*	335,008,000	1,115,577
At 31 March 2022 and 1 April 2022	**1,340,484,740**	**1,115,972**
Shares issued under share option schemes *(Note ii)*	**62,600**	**53**
At 30 September 2022	**1,340,547,340**	**1,116,025**

Notes:

(i) On 9 August 2021, 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 $30.

(ii) During the six months ended 30 September 2022, share options were exercised to subscribe 62,600 ordinary shares (year ended 31 March 2022: 452,740) of the Company at a consideration of $53,000 (year ended 31 March 2022: $385,000) credited to share capital under the Company's share option schemes.

(iii) On 7 October 2021, 335,008,000 ordinary shares of the Company were newly issued at an offer price of $3.33 per share by way of global offering.

Corporate governance

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company and to enhance corporate value and accountability. During 1H2023, the Company has adopted and complied with the code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Part 2 of Appendix 14 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), save for the deviations for reasons set out below. The Company will continue to review and monitor its corporate governance practices with reference to the applicable requirements under the CG Code.

According to code provision C.2.1 of the CG Code, 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 of the Board 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

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 of the Listing Rules as the standard for securities transactions by the Directors during 1H2023. The Company has made specific enquiries with each Director, and all Directors have confirmed that they have complied with the Model Code during 1H2023.

Purchase, sale or redemption of the Company's listed securities

During 1H2023, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

Events after the reporting period

Subsequent to 30 September 2022 and up to the date of this announcement, the Group had no significant events occurred which have a material impact on the performance and the value of the Group.

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 unaudited interim results of the Company for 1H2023, the accounting principles and practices adopted by the Company as well as internal control and financial reporting matters.

Interim dividend

The Board has resolved not to declare any payment of interim dividend in respect of 1H2023 (1H2022: 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 1H2023 will be despatched to shareholders of the Company and available on the same websites in due course.

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

Hong Kong, 10 November 2022

As at the date of this announcement, the executive Directors are Mr. Lau Tat Man, Ms. Chan Ping, Rita and Ms. Lung Man Wai, the non-executive Directors are Mr. Sugiyama Takashi, Mr. Tomitani Takeshi and Mr. Someya Norifumi, and the independent non-executive Directors are Mr. Lee Kwok Ming, Mr. Loo Kwok Wing and Mr. Yeung Yiu Keung.