

# Tam Jai International Co. Limited

## 譚仔國際有限公司

(Stock Code: 2217.HK)

## FY24/25 Interim Results

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November 2024



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## Presentation Content

1. Performance Highlights
2. Business Overview
3. Financial Highlights
4. Future Plans
5. Sustainable Development
6. IR Contacts
7. Appendix



# 01

## Performance Highlights



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# Highlights



**Group revenue grew 1.2% YoY to HK\$1,403.5 million**

Net profit reached **HK\$36.1 million**



**Hong Kong revenue up 1.7% amid market challenges**

Store number reached 198, included new brand “Yamagyū”  
Acquired all stores of “Marugame Seimen” in Hong Kong




**Business consolidation in Singapore and Mainland China**

Target to enhance overall profitability of operations



**Overseas: franchise income commencing in 2H**

 3 stores planned to open in Australia in 2H

 License agreement signed for Malaysia



**Interim dividend: HK1.35 cents per share**

Supported by HK\$1,345.8 million cash on hand



*A Will to Win*

*Passion to Serve*



# 02

## Business Overview



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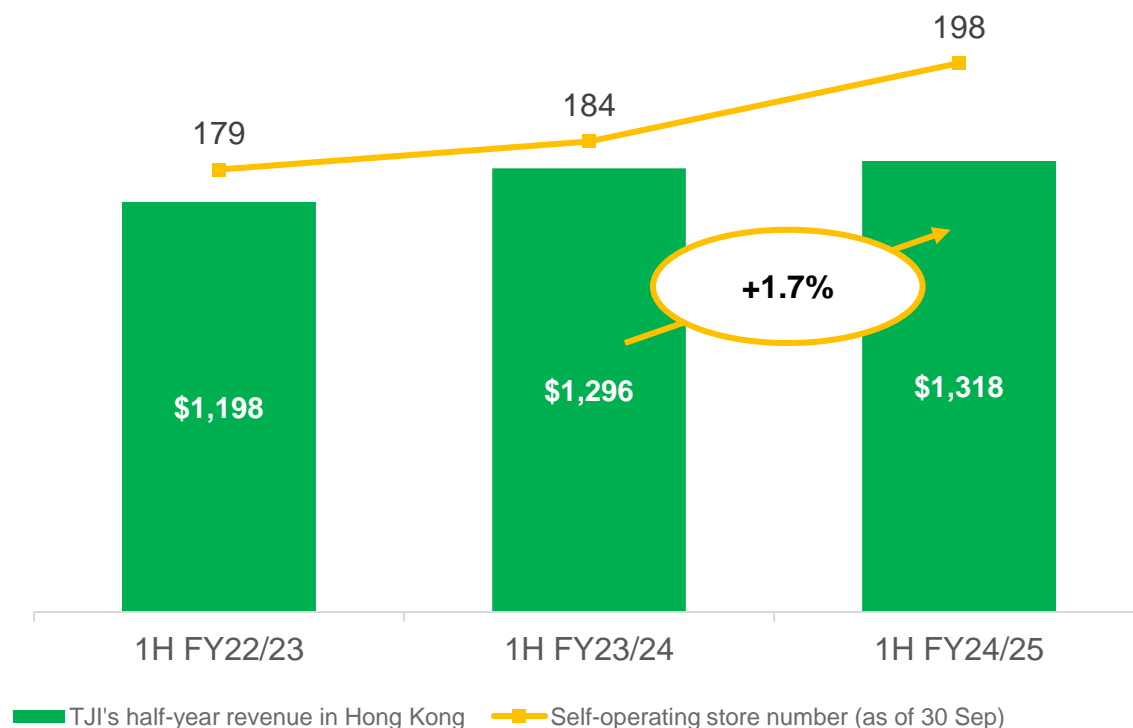


# Hong Kong: Stable Revenue Despite Challenges



## Revenue & Store Number (Self-operate)

(Unit in HK\$ million)



- **Operating challenges persisted**
  - Cautious consumer spending amid economic uncertainties
  - Ongoing northbound travel trend for locals
- **Revenue grew 1.7% YoY** mainly driven by store expansion
  - Debuted 1 licensed store for **Yakiniku Yamagyu**

**+9**  
Net openings in 1H

**-4.0%**  
Comparable restaurant revenue YoY



# Tap into Empty Area with New Store Format



Hong Kong University of Science & Technology



1<sup>st</sup>

Campus-based outlet

- ✓ Prime location to tap young customer segment
- ✓ Pave the way for further expansion





# Dynamic Strategies to Sustain Growth



## Value Deals



✓ Boost customer traffic

## Expanded Breakfast to 40% of Stores



✓ Enhance restaurant-level utilisation

## Revamped Green Menu



✓ Appeal to a wider range of demographics

## Delivery Platform Promotions



✓ Increase revenue

## Strategic Menu Price Adjustment



✓ Protect margins



# Stepping Up CRM Campaigns

- ✓ Boosted repeated purchase with new e-stamp loyalty programme
- ✓ Effective coupons to drive ticket size
- ✓ Gamification feature: attract younger generation



## E-Stamp Loyalty Programme



## Mobile App Games



Membership Base\*: 1.58M

+72%

YoY



Active users\*

+40%

YoY

\$ Revenue from CRM

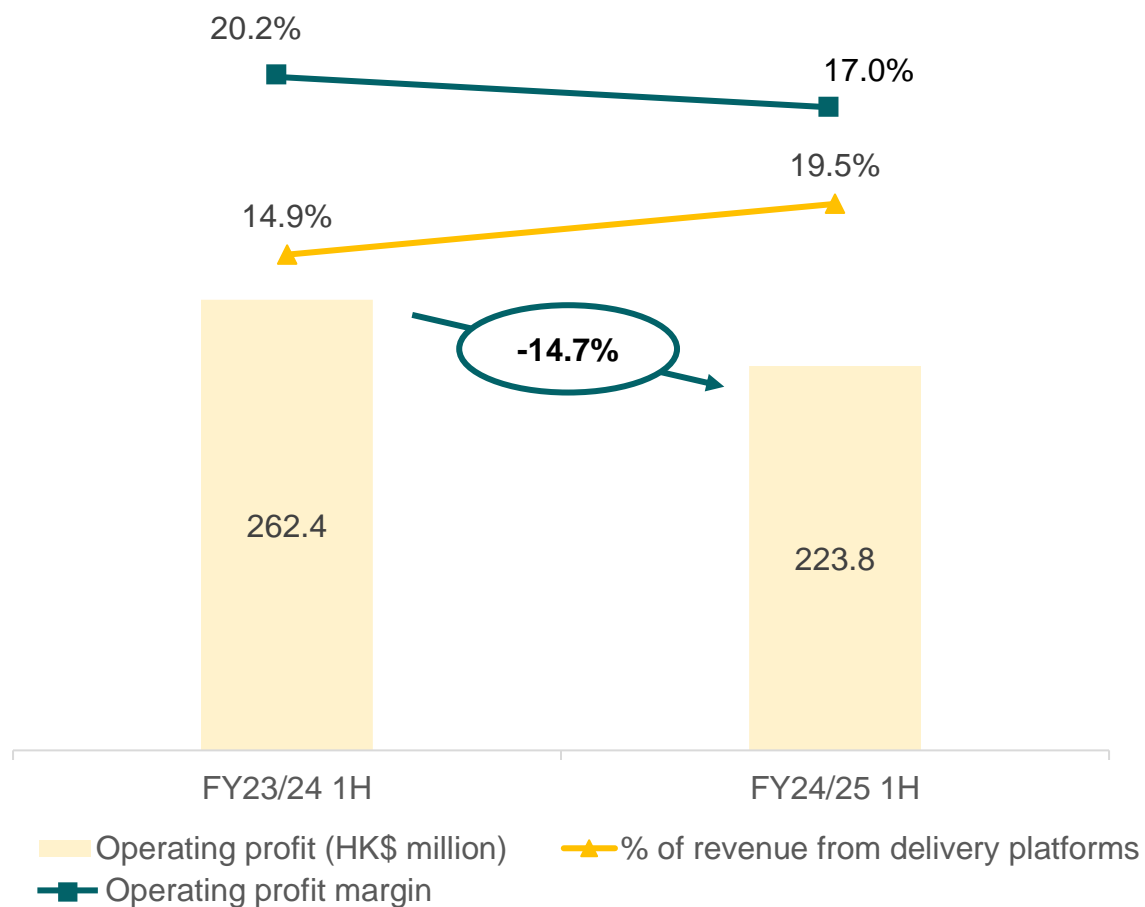
+113%

YoY

\*As of 30 September 2024



# Operating Profit Margin Recovering



- **Operating profit declined 14.7% YoY in 1H**
  - More promotional offers to drive traffic and revenue
  - Higher commission charges due to increased portion of delivery revenue
  - Severe impact in Q1
- **Operating profit margin recovering in Q2**
  - Adjusted tactics to improve revenue and margin
  - Strategic shifting promotional offers to own channels
  - Refining frontline staff deployment strategy
  - Stringent cost control



# Mainland China: Store Consolidation amid Competitions



## Consolidating Store Network in GBA

1H FY24/25	Close	Relocate / Renovate	Store Count <sup>[1]</sup>
Shenzhen	-1	3	9
Guangzhou	-2	0	8
Tier-2 cities <sup>[2]</sup>	-1	0	6
<b>Total</b>	<b>-4</b>	<b>3</b>	<b>23</b>

<sup>[1]</sup> as of 30 Sep 2024

<sup>[2]</sup> Including Dongguan, Zhuhai, Zhongshan & Foshan

- YOY decline in revenue and widened loss due to fierce competition
- Net closure of 4 under-performing stores in 1H
- **Network consolidation will continue in 2H**

## Enhanced Localisation Initiatives



Wongtee Plaza store in Shenzhen

- ✓ **New store design:** open kitchen facilitates communications of unique propositions to local customers
- ✓ **More localised food offerings**





# Singapore: Consolidation Underway



- Revenue declined; significantly widened loss in 1H
  - Intensified competition, high cost inflation, persistent manpower shortage
- Consolidating store network and business
  - Closure of under-performing stores by March 2025
  - Expects to incur one-off closure expenses in 2H
  - Target to **enhance overall profitability in next financial year**

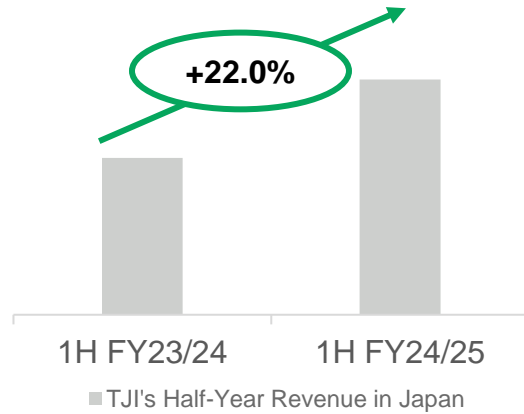




# Japan: Best Performing Overseas Market



## Revenue



**+22.0%**

Comparable restaurant revenue YoY

- ✓ Successful launch of **localised products**
- ✓ Effective marketing with **popular TV and social media exposures**
- ✓ Increased brand awareness and recognition



## Substantial Reduction in Operating Loss

<b>Revenue Leverage</b>	<b>Operational Efficiency Enhancement</b>
	<ul style="list-style-type: none"> <li>✓ food cost control</li> <li>✓ supply chain management</li> </ul>



**On track to achieve breakeven**



# 03

## Financial Highlights

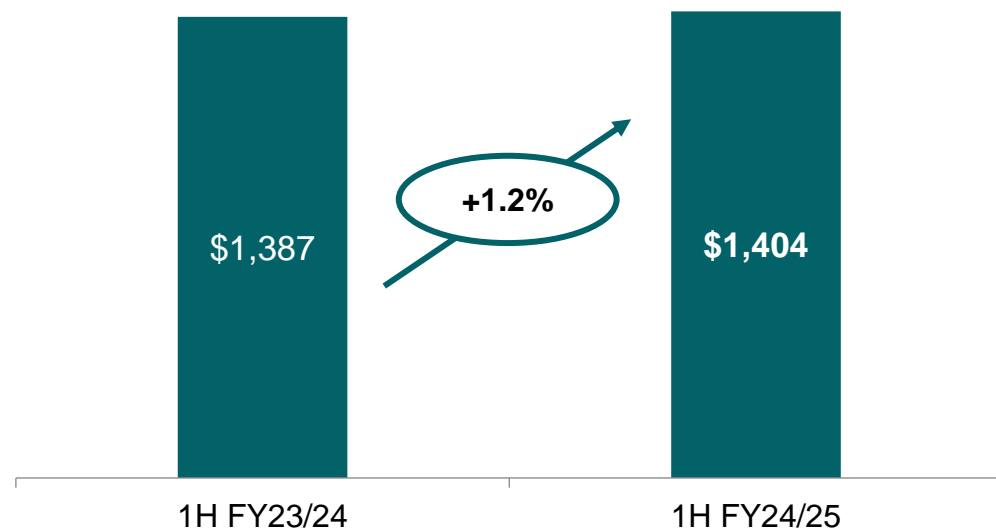


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# Results for the Period

Revenue for the period increased by 1.2%

(Unit in HK\$ million)



The Group faced a challenging operating environment in core markets in 1H, characterised by:

- economic slowdown
- more intense competition

Consolidated statement of profit or loss

(Unit in HK\$ million)

Six months ended 30 September

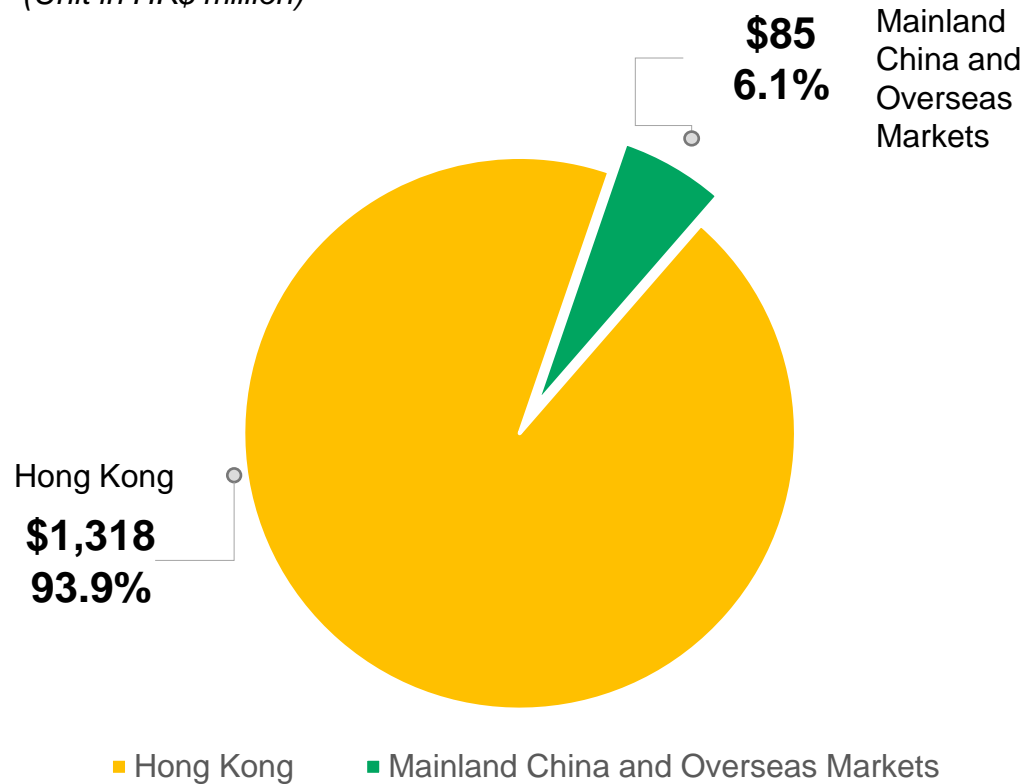
	FY24/25	FY23/24
Revenue	\$1,404	\$1,387
Profit before taxation	\$50	\$102
Profit for the period	\$36	\$82
Profit margin	2.6%	5.9%



# Revenue\* by Geographic Location & Order Type

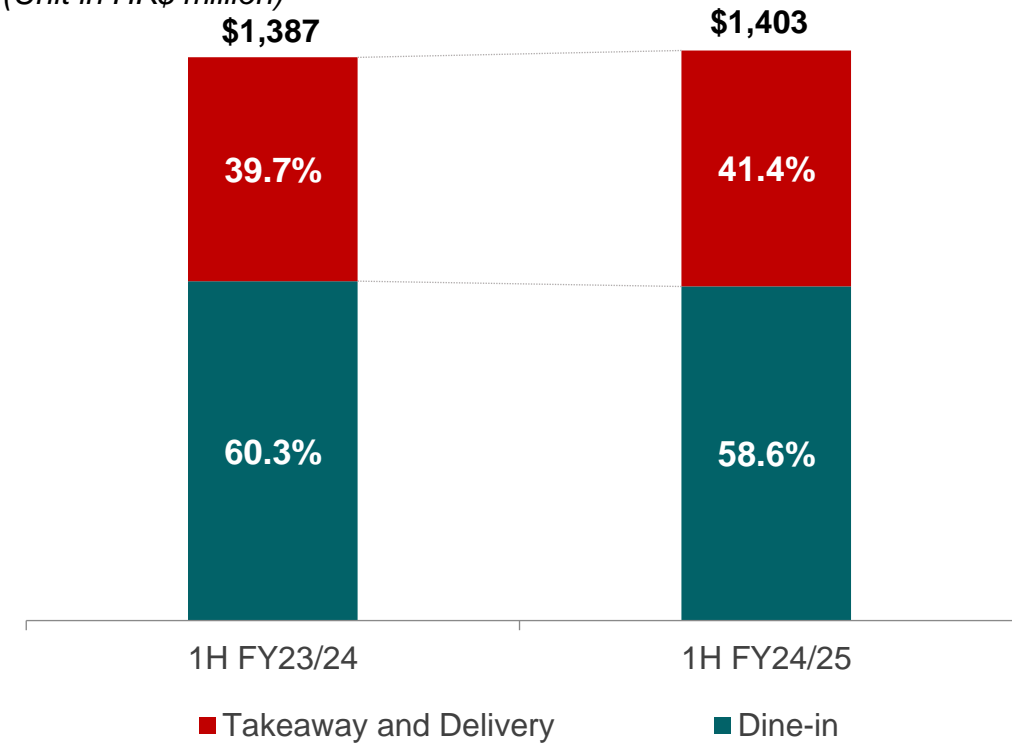
Majority contribution from Hong Kong

(Unit in HK\$ million)



Takeaway & delivery revenue\* remained significant

(Unit in HK\$ million)



*Takeaway & delivery comprises takeaway orders made at the restaurants and delivery orders fulfilled through online delivery platforms.*

\* Revenue generated from restaurant operations only

# Revenue by Key Performance Indicators



Geographic location	Average spending per customer (in HK\$) <sup>[1]</sup>			Average daily # of bowls served per seat <sup>[2]</sup>			Average daily revenue per restaurant (in HK\$) <sup>[3]</sup>		
	2024	2023	2022	2024	2023	2022	2024	2023	2022
For the Six Months ended 30 September									
<b>Hong Kong</b>	\$61.0	\$61.6	\$61.1	6.1	6.1	6.0	\$37,333	\$39,137	\$38,581
<b>Mainland China</b>	\$36.2	\$41.5	\$49.1	3.1	3.3	3.1	\$7,633	\$10,017	\$11,540
<b>Singapore</b>	\$81.2	\$88.8	\$82.7	2.9	3.1	4.4	\$16,755	\$19,970	\$25,511
<b>Japan</b>	\$69.8	\$65.7	\$64.1	6.3	5.5	5.2	\$26,855	\$22,020	\$20,265
<b>Overall</b>	<b>\$60.5</b>	\$61.3	\$61.2	<b>5.8</b>	5.8	5.9	<b>\$32,998</b>	\$35,015	\$36,213

[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.

# Operating Profit Analysis

(Unit in HK\$ million)

	Six months ended 30 September	
	FY24/25	FY23/24
<b>Revenue</b>	<b>\$1,404</b>	\$1,387
Restaurant and central kitchen operating costs:		
- Cost of food and beverages consumed	\$337	\$328
- Staff costs <sup>[1]</sup>	\$368	\$360
- Depreciation of right-of-use assets, rental and related expenses <sup>[1]</sup>	\$267	\$255
- Consumables and packaging	\$29	\$33
- Utilities expenses	\$46	\$45
- Handling charges	\$76	\$45
- Advertising and promotion	\$21	\$23
- Cleaning expenses	\$13	\$12
- Repair and maintenance	\$10	\$10
- Other expenses <sup>[1]</sup>	\$22	\$19
<b>Operating profit</b>	<b>\$215</b>	\$257
<b>Operating profit margin</b>	<b>15.3%</b>	18.5%

[1] Represent relevant costs attributable to our restaurants and central kitchens and exclude any costs attributable to headquarters and office.

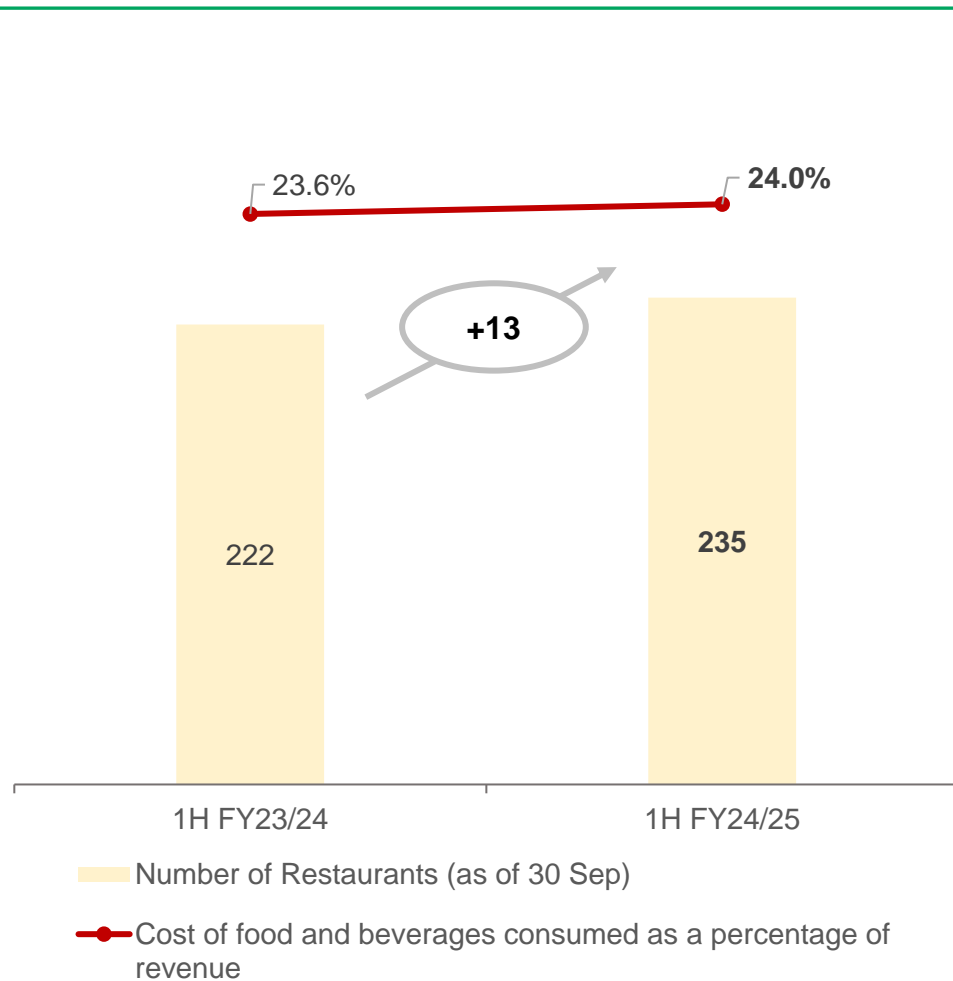
## Breakdown by geographic location

Hong Kong	Six Months ended 30 September		
	FY24/25	FY23/24	Change in %
<b>Revenue</b>	<b>\$1,318</b>	\$1,296	1.7%
<b>Operating profit</b>	<b>\$224</b>	\$262	-14.7%
<b>Operating profit margin</b>	<b>17.0%</b>	20.2%	-3.2 p.p.*
Mainland China and Overseas Markets	Six Months ended 30 September		
	FY24/25	FY23/24	Change in %
<b>Revenue</b>	<b>\$86</b>	\$91	-7.2%
<b>Operating loss</b>	<b>-\$9</b>	-\$5	+68.6%
<b>Operating loss margin</b>	<b>-10.6%</b>	-5.9%	+4.7 p.p.*

\* - Percentage points ("pp") can be referred as the unit for the difference between two percentages.

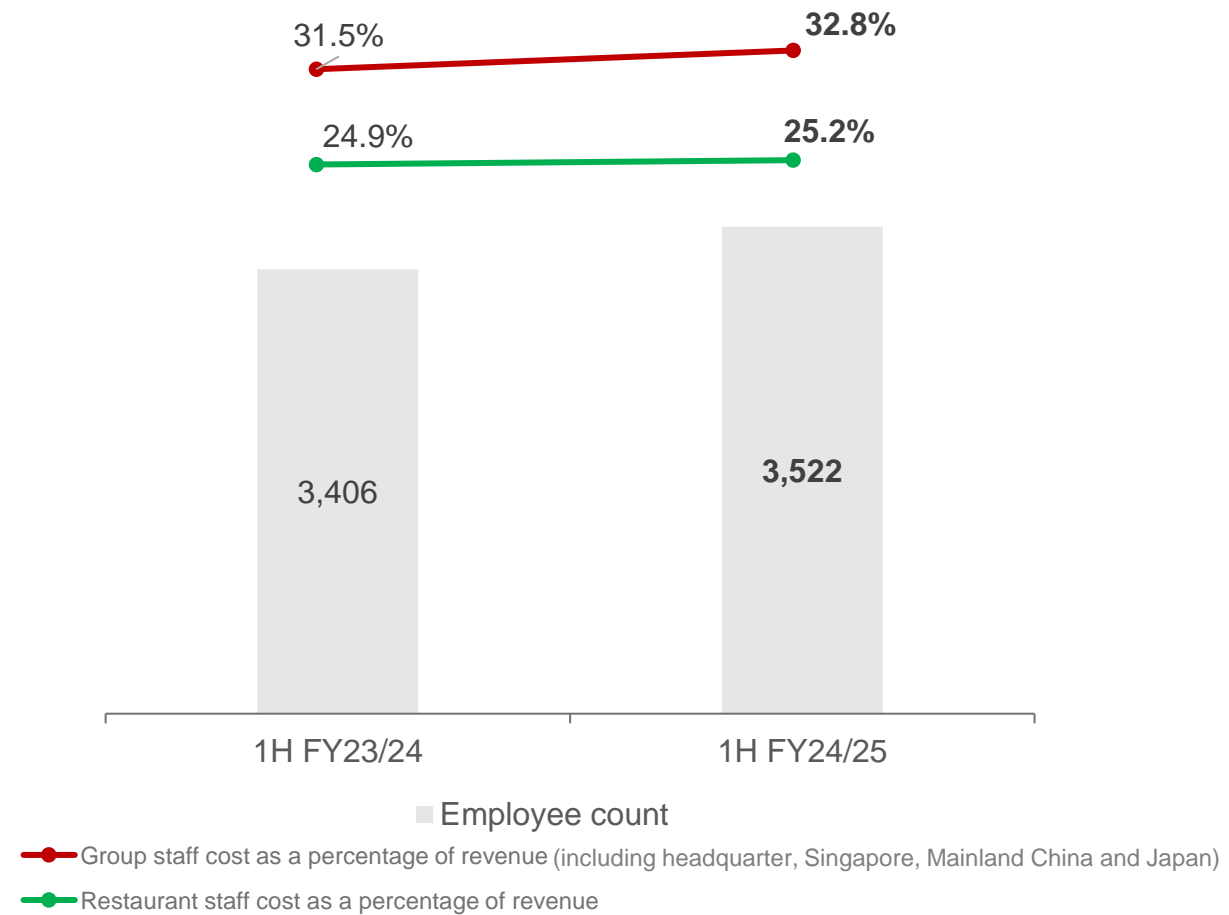
# Cost Analysis

Food cost as a % of revenue



Group staff cost % to revenue

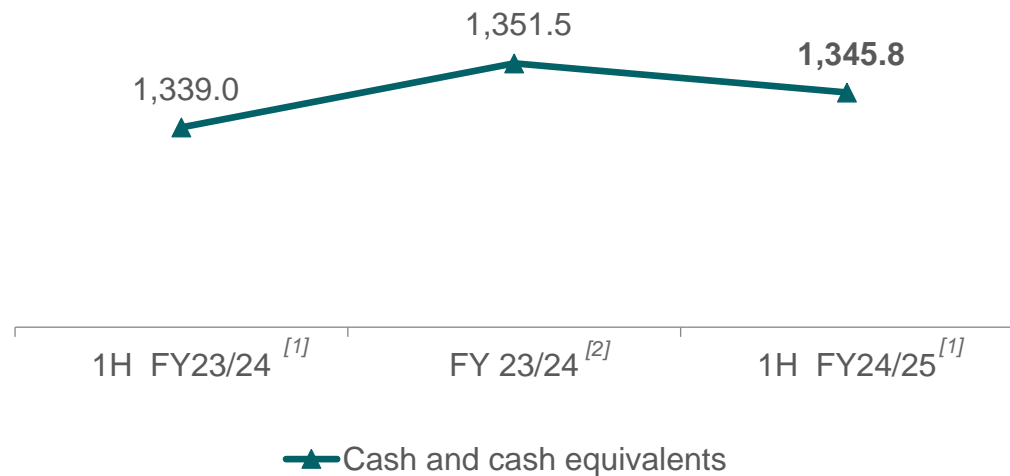
(Unit in HK\$ million)



# Share Success with Shareholders

## Cash and cash equivalents

(Unit in HK\$ million)



[1] as at 30 September  
[2] as at 31 March



**Interim Dividend**

**HK 1.35** cents / share

LY: HK3.0 cents / share



**Payout Ratio**

1H FY2024/25

**50.0%**

LY: 49.2%

# Other Key Financial Data

Key financial metrics		1H FY24/25	1H FY23/24
Earnings per share (HK cents)	<i>Basic</i>	<b>2.7</b>	6.1
	<i>Diluted</i>	<b>2.7</b>	6.1
Current ratio <sup>[1]</sup>		<b>2.3</b>	2.3
Quick ratio <sup>[2]</sup>		<b>2.3</b>	2.2
Return on assets <sup>[3]</sup>		<b>2.8%</b>	6.1%
Return on equity <sup>[4]</sup>		<b>4.9%</b>	10.8%

[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%.

# 04

## Future Plans

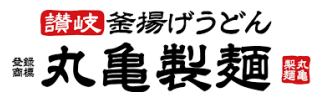


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# Hong Kong: New Growth Drivers from Multi-branding



## Synergies with Toridoll Japan's extensive restaurant portfolio




### Marugame Seimen

- Acquired 9 existing stores in Hong Kong

Nov 2024



### Yakiniku Yamagyu

- Reached licensing agreement
- Overwhelming response to first store 

Apr 2024



2H FY24/25

**+4** new  
restaurants





# Overseas: Steady Progress in Franchise Ventures



Solid proof of TamJai's appeal to international diners with successful establishment of local partnerships



## Malaysia: Strategic partnership with Hextar Group



- Debut opening in Kuala Lumpur in 2025

Leverage local partners' expertise & resources

Mitigate risk of overall international operations

Generate incremental franchise income

Strengthen Group's profitability



## The Philippines

- Finalised master franchise agreement with Suyen Group
- First store debut in 2025



# Overseas: First Store in Australia Coming Soon



Late November 2024:  
**First franchise store open  
in Melbourne**

- **“TamJai Mixian”** (譚仔香港米線) to be applied in overseas markets
- Melbourne: **3** new stores in 2H
- Sydney: next stage in 2025



**1st Store: Swanston's Street in China town, Melbourne**

# Cautious Network Development

## Self-operate Restaurants



Hong Kong

Plan to open 5 new stores in 2H  
Explore new store format



Open 4 new restaurants in 2H



Mainland China

Network consolidation  
New store format to roll out



Singapore

Consolidate store network to reduce loss



Japan

Securing new stores in Tokyo in FY2025/26

## JV / Franchised Restaurants



Australia

Open 3 stores in 2H



Malaysia

Debut in 2025



Philippines

Debut in 2025

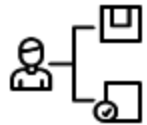


# Digitalisation & Efficiency



## Data integration and infrastructure

- ✓ Enhance data analytics and business insights
- ✓ Facilitate future expansion



## New POS System

- ✓ Streamline workflow of frontline staff
- ✓ Enhance productivity and operations efficiency



## CRM System Upgrade

- ✓ Interactive features, targeted promotions and gamification elements ↑
- ✓ Customer stickiness ↑
- ✓ Strategically divert channel sales towards CRM system ↑



# 05

## Sustainable Development



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# Our ESG Core Pillars



## Nourishing Communities

Providing nutritionally balanced high-quality food to maintain the physical and mental well-being of customers and the community



2 ZERO HUNGER



- Customer Welfare
- Community Engagement
- Food Safety and Resilience



## Preserving Nature

Managing and reducing our impact on the climate to protect our natural environment.



11 SUSTAINABLE CITIES AND COMMUNITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



- Resource Management
- Waste Management
- Climate Change Risks
- Sustainable Practices



## Uplifting People

Creating shared value for employees and partners, while assisting them in self-improvement.



3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



- Employee Health and Safety
- Employee Engagement, Diversity, and Inclusion
- Labor Rights
- Supplier Engagement



# Nourishing Communities



“Go-Green” menu  
Plant-based meat  
and more veggie  
offerings



Sponsors BGCA’s  
“Inside Out 2”  
Charity Screening  
Promoting mental  
health and wellness



Mixian For the Good  
（「線」有善報）：  
60,000~ bowls  
of noodles donated  
since 2021





# Uplifting People



**37,700+ hours**

Staff training provided in FY2024



**Sponsors “Tech for Good Film Festival”**

Nurtures Local Youth Art Talents & Promotes Women Empowerment



**HK\$7.3M scholarship** granted to 220+ employees' children since 2015







# Preserving Nature



**5%\*** reduction of total solid waste with all HK stores practice food waste separation



Founding member of WWF “Sustainable Seafood Membership Programme”



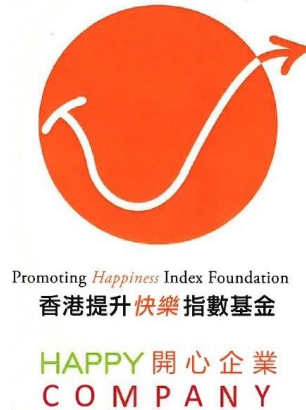
**70% of takeaway customers** opt out for disposable cutlery since we launched plastics-free cutlery policy



WWF-Hong Kong

\*Compare with the intensity (unit/HK\$ million) of the financial year ended 31 March 2023 (“FY2023”)

# Our Commitment & Recognitions



**渣打企業成就大獎 2024**  
Standard Chartered Corporate Achievement Awards



**HKGSAA Award 2023** Hong Kong Green Shop Alliance Award  
香港綠建商舖聯盟大獎 2023



# 06

## Appendix



# Use of Proceeds

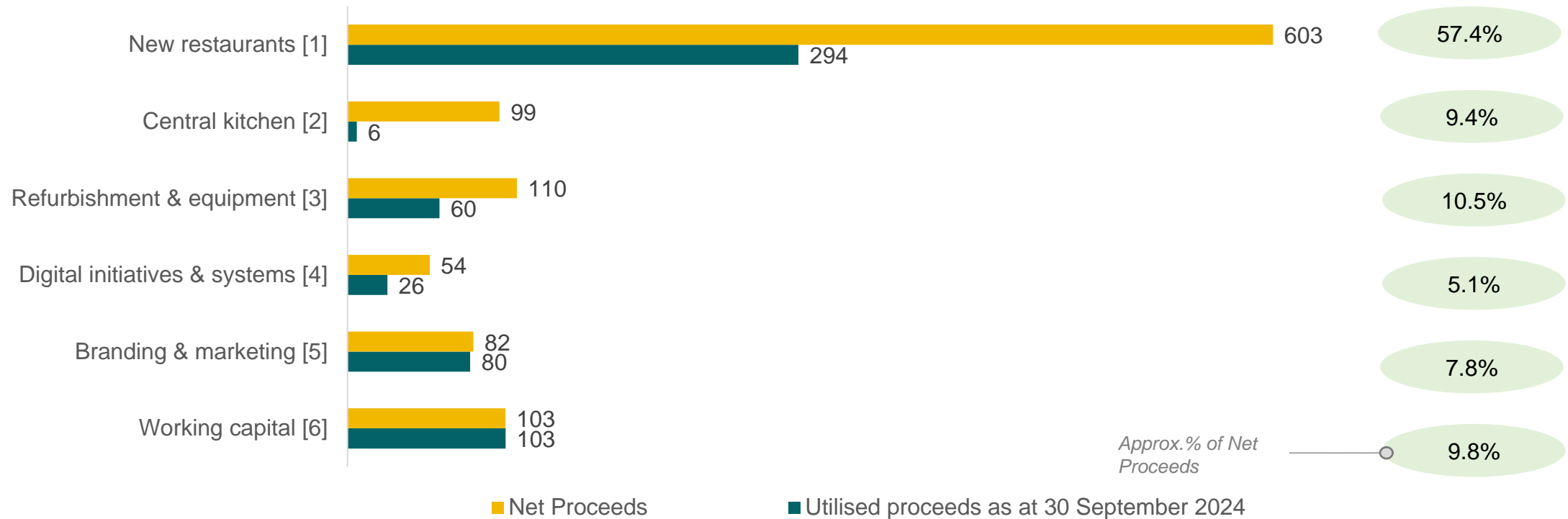


Net Proceeds for Expansion of the Restaurant Network comprising self-operated restaurants has been expanded to include the opening of restaurants in selected overseas markets through joint venture and/or franchising arrangements.

HK\$568.3 million out of HK\$1,051 million net proceeds were utilised as at 30 September 2024

(Unit in HK\$ million)

Expected timeline of full utilisation: before 31 March 2026



[1] New restaurants - expansion of the restaurant network.

[2] Central kitchen - Expanding the central kitchen in Hong Kong and establishing new central kitchens in Mainland China, Singapore, and Australia.

[3] Refurbishment & equipment - Refurbishment of the restaurants and enhancing the operating equipment.

[4] Digital initiatives & systems - Implementing a CRM system, a voice ordering system, an ERP system, and upgrading the information and technology infrastructure.

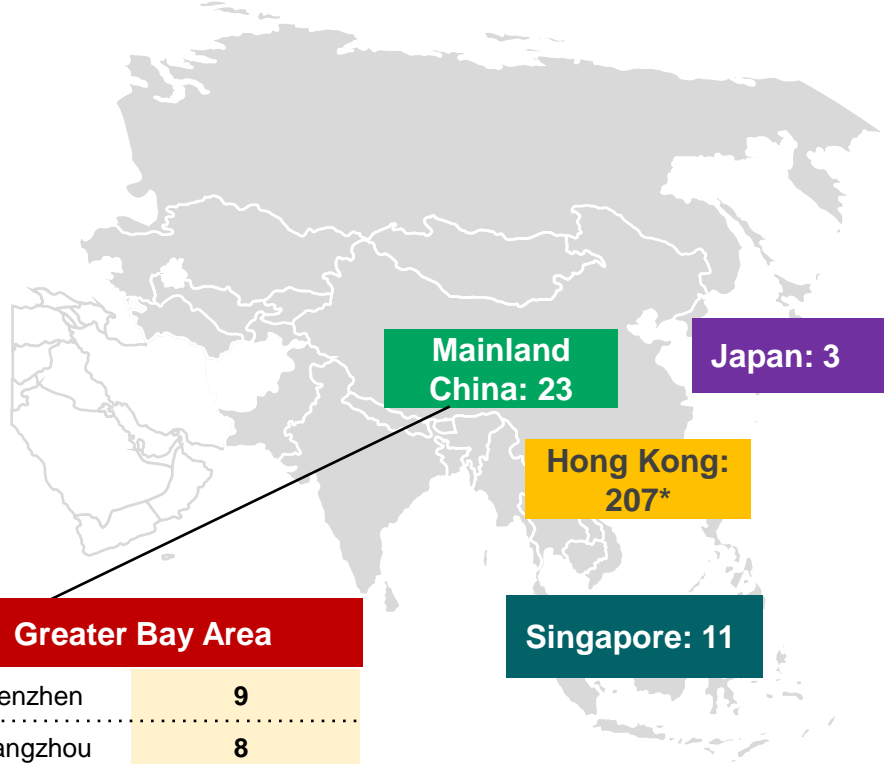
[5] Branding & marketing - International brand building and new market entry promotion.

[6] Working capital - General corporate purposes and working capital.

# Our Restaurant Network



As at 30 September 2024



Greater Bay Area	
Shenzhen	9
Guangzhou	8
Dongguan	2
Zhongshan	1
Zhuhai	2
Foshan	1
<b>Sub-total</b>	<b>23</b>



Geographic Location	Sep-23	Sep-24	YoY Change	Aggregators
Hong Kong	184	198*	+14	<ul style="list-style-type: none"> <li>• Deliveroo</li> <li>• Foodpanda</li> <li>• KeeTa</li> </ul>
Mainland China	24	23	-1	<ul style="list-style-type: none"> <li>• Meituan</li> <li>• Ele.me</li> </ul>
Singapore	11	11	0	<ul style="list-style-type: none"> <li>• Foodpanda</li> <li>• Grab</li> </ul>
Japan	3	3	0	<ul style="list-style-type: none"> <li>• Uber Eats</li> <li>• Demaecan</li> </ul>
<b>Total:</b>	<b>222</b>	<b>235</b>	<b>+13</b>	

\*Excluding 9 Marugame Seimen restaurants which become self-operating stores after the acquisition in November 2024

# Marketing Campaigns in Hong Kong



# Marketing Campaigns in Mainland China



譚仔茶档

## 捶·十三式 柠檬茶

为味蕾带来多重享受  
清新果香和茶香脆爽交织  
斯里兰卡红茶  
黄柠檬混合捶打  
采用西水柠檬和

**16**元

独家联名 大招!!

 就係港味 柠檬茶 <b>18</b> 元	 老港 丝袜奶茶 <b>16</b> 元	 手工 拉茶鸳鸯 <b>21</b> 元
 鲜煮咖啡 <b>16</b> 元	<h3>独家联名</h3> <p>获十一项11专业大奖 (七位冠军 7 爆心打造) (九种茶底 9 香郁配比)</p>	

港茶有功夫

① 冲



② 焗



③ 捶



④ 回温



谭仔 譚仔米線

宅家 躺平 外卖点谭仔

# 椰香砂砂汤米线 34



谭仔与你 尽享国庆

## CHILL过黄金周 谭仔“宅”身边

配送费低至0元起 更有多款精选套餐，马上开吃!

\*椰香砂砂汤米线为部分门店限定，具体店内以门店实际为准  
\*产品图片仅供参考

# Restaurant Layout and Design



Cyberport, Hong Kong



Wongtee Plaza, Futian



Clementi, Singapore



Shinjuku, Japan



# Milestones

From street-side noodle stand to multi-nation restaurant chain



1996



First TamJai restaurant in HK

2011-2013



Recommended by Michelin

2018



Acquired by Toridoll and formed **Tam Jai International**

2019



Rebranding of SamGor

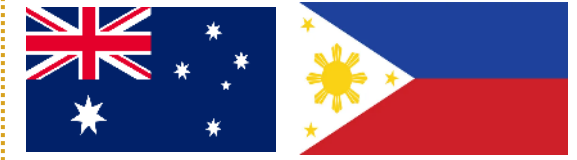
TamJai and SamGor restaurants reached all 18 districts of HK

Oct 2021



Listing on Hong Kong Stock Exchange

2023



Entering Australian and Philippines markets: JV and franchise models

Franchise: Marugame Seimen in HK

## BRING TAMJAI TASTE ALL OVER THE WORLD

2008



First SamGor restaurant in HK

2017



Over 100 restaurants in HK

Engaging third-party service providers for food delivery services

2020



1st SamGor in Singapore



Launched Tam Jai Goodness Trust

2021



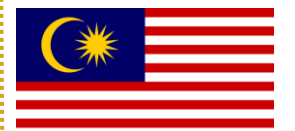
1st TamJai in Mainland China

#200 Restaurant Opening



1st SamGor in Japan

2022



Establishing strategic partnership for entering Malaysia

2024

# Awards and Recognitions



7 Awards at HKRMA Retail Awards



Directors of the Year Awards 2023



13th Junzi Corporation Award



"Campaign of the Year" at Marketing Interactive PR Awards



Standard Chartered Corporate Achievement Awards 2023



Kando Award

Since 2018, we have received numerous awards and acknowledgments from third party authorities to reflect our dedication to **corporate management, ESG, branding & marketing, food & service and work culture.**





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

Thank You