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世界の味千ラーメン!!



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味千(中國)控股有限公司 AJISEN (CHINA) HOLDINGS LIMITED

(Incorporated in the Cayman Islands with Limited Liability)
(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 538

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Corporate Profile

Ajisen (China) Holdings Limited (stock code: 538) (“Ajisen” or the “Company”; together with its subsidiaries, the “Group”) is one of the leading fast casual restaurant (“FCR”) chain operators in the People’s Republic of China (“PRC”) and the Hong Kong Special Administrative Region (“Hong Kong”). Since its establishment in 1996, the Group has been selling Japanese ramen and Japanese-style dishes under the Ajisen brand in the PRC and Hong Kong. By incorporating Chinese people’s culinary preferences and the essence of the Chinese cuisine, the Group has carefully developed over one hundred types of Japanese-style ramen and dishes that cater for the Chinese people’s palate. Combining the elements of fast food shops and traditional restaurant elements, the Group has become a fast-growing FCR chain operator.

After our listing on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 30 March 2007, the strong capital support has injected new vitality into the Group’s rapid expansion. As a renowned brand in the Food and Beverage (“F&B”) industry, Ajisen’s fast casual chain restaurants are very popular among consumers with its outlets widely scattered in prime locations of major cities in the PRC and Hong Kong. As at 30 June 2015, the Group’s nationwide retail network comprise 664 restaurants, Ajisen restaurants have entered 119 cities and 31 provinces of the PRC. Among the major cities, the international metropolis Shanghai boasts the largest number of Ajisen restaurants, being 140, followed by 81 in Jiangsu and 56 in Guangdong (excluding Shenzhen), together with the remaining 348 restaurants spanning across other major cities from the southern to the northern region of the PRC. In Hong Kong, Ajisen operates 39 chain restaurants with its chain network covering all major business areas of the city. Moreover, the restaurant network is supported by the Group’s Shanghai, Chengdu, Tianjin and Dongguan production bases, as well as 4 food manufacturing and processing centres in other major cities.

On 30 March 2007, Ajisen was successfully listed on the Main Board of the Stock Exchange, which make it the first domestic catering chain company listed overseas. In 2007, the Group was ranked first among the top 50 fastest-growing Asian enterprises of the year by the influential international financial magazine Business Week. The Company was selected as a constituent to the 200-stock Hang Seng Composite Index (“HSCI”) Series and Hong Kong Freefloat Index (“HSFI”) Series with effect from 10 September 2007.

Ajisen’s initial public offering was also named “2007 Best Mid-Cap Equity Deal” by Finance Asia, a renowned Asian business publication.

In September 2008, the Group acquired a place in “Asia’s 200 Best Under A Billion” list made by Forbes. Ms. Poon Wai, Chairman and Chief Executive Officer of the Group, was enlisted into “Chinese Celebrities” by Forbes. In 2009, the Group was enlisted for the third consecutive year as one of the “Chinese Enterprises with Best Potential”. The Group was also selected as the “Most Influential Fast Food Brand in China” by the China Cuisine Association, and designated as the “Gold Medal Brand of PRC Consumers’ Most Favorable Hong Kong Brand”, as well as being accredited as a “Credible Enterprise” in China.

Ajisen strives to become the No. 1 FCR chain operator in the PRC.

CORPORATE INFORMATION

Board of Directors

Executive Directors

Ms. Poon Wai

(Chairman and Chief Executive Officer)

Mr. Poon Ka Man, Jason

Non-executive Directors

Mr. Katsuaki Shigemitsu

Mr. Wong Hin Sun, Eugene

Independent Non-executive Directors

Mr. Lo Peter

Mr. Jen Shek Voon

Mr. Wang Jincheng

Audit Committee

Mr. Jen Shek Voon *(Chairman)*

Mr. Lo Peter

Mr. Wang Jincheng

Mr. Wong Hin Sun, Eugene

Remuneration Committee

Mr. Lo Peter *(Chairman)*

Mr. Jen Shek Voon

Mr. Wong Hin Sun, Eugene

Nomination Committee

Mr. Wang Jincheng *(Chairman)*

Mr. Wong Hin Sun, Eugene

Mr. Lo Peter

Authorised Representatives

Ms. Poon Wai

Mr. Lau Ka Ho, Robert

Qualified Accountant

Mr. Lau Ka Ho, Robert *(CPA)*

Company Secretary

Mr. Lau Ka Ho, Robert *(CPA)*

Head Office and Principal Place of Business in Hong Kong

6th Floor

Ajisen Group Tower

Block B

24-26 Sze Shan Street

Yau Tong, Kowloon

Hong Kong

Registered Office

Clifton House

75 Fort Street

P.O. Box 1350 GT

George Town

Grand Cayman

Cayman Islands

Principal Share Registrar and Transfer Office

Appleby Corporate Services (Cayman) Limited

Clifton House

75 Fort Street

P.O. Box 1350 GT

George Town

Grand Cayman

Cayman Islands

CORPORATE INFORMATION

Hong Kong Branch Share Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Principal Bankers

Hang Seng Bank Limited
Industrial and Commercial Bank of China (Asia) Limited
Chong Hing Bank Limited
Bank of Shanghai Co., Ltd

Auditors

Deloitte Touche Tohmatsu

Hong Kong Legal Advisers

Fairbairn Catley Low & Kong

Investor and Media Relations Consultant

iPR Ogilvy Ltd
www.iprogilvy.com

Investor Relations Contact

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Company Website

www.ajisen.com.hk
www.ajisen.com.cn

Stock Code

538

FINANCIAL HIGHLIGHTS

For the six months ended 30 June (unaudited)	2015	2014	%
			+/-
Turnover (HK\$ million)	1,569.6	1,611.8	-2.6
Gross profit (HK\$ million)	1,095.5	1,108.8	-1.2
Profit before taxation (HK\$ million)	170.2	192.3	-11.5
Profit attributable to owners of the Company (HK\$ million)	110.7	127.7	-13.3
Earnings per share – basic (HK cents)	10.14	11.71	-13.4

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Review

The uneven global economic growth led to diversified recovery in the first half of 2015, as evidenced by the slower recovery of the U.S. economy, the modest revival of the European economy, the continuous depression of the Japanese economy and the decelerated economic growth in and capital outflow from emerging economies. Facing pressure from economic downturn since the first quarter of 2015, China cut interest rates and lowered the reserve requirement ratio thrice in the first half of the year. China's GDP grew by 7% year-on-year to RMB29,686.8 billion in the first half of 2015, further slowing down from the growth rate of 7.4% for the same period in 2014.

The increasingly fierce competition in the catering market arising from the arrival of new capitals and cross-sector competitors since last year, coupled with the sluggish economy, caused not only the "four highs and one low" phenomenon (i.e. increasingly high rental expenditure, staff cost, raw material price, public utility rates, and hence sustained low profits) in the catering industry, but also the urgent need to cater to the preference of consumers and improve dining experience. The penetration of the Internet into the catering industry has led to continuous reforms in the aspects of operations and sales, resulting in unprecedented changes in the most traditional industry of catering.

Revenue from the nationwide catering industry for the first half of 2015 amounted to RMB1,499.6 billion, representing a year-on-year increase of 11.5%; in particular, revenue from restaurants above the quotas (over RMB2 million in annual revenue) increased by 6.3% year-on-year to RMB394.9 billion.

During the reporting period, the management of the Group continued to explore business transformation through leveraging the Internet, aiming to create a brand new Ajisen Group. In the first half of 2015, the Group pushed forward the online to offline infrastructure project to integrate online and offline resources. The Company vigorously promoted its takeaway service in Beijing and Shanghai since the beginning of the year in cooperation with online takeaway platforms such as Ele.me, Baidu Waimai and Daojia.

The Group adopted a prudent strategy for the opening of restaurants due to the unsound economic conditions. As at 30 June 2015, the Group had 664 chain restaurants in total, an increase of 27 from 637 for the same period of last year.

The Group adhered to the supply chain strategy of removing middle suppliers adopted since last year and partnered with high-quality large suppliers at home and abroad, therefore maintaining a high gross profit margin. Meanwhile, staff costs were effectively controlled by adopting a working hour system and increasing part-time employees at stores.

In addition, the Group launched the urban inspirational micro movie "Friends for Life" in the first half of the year to further enhance brand awareness.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

For the six months ended 30 June 2015, the Group's turnover decreased from approximately HK\$1,611,826,000 during the corresponding period in 2014, by approximately 2.6% to approximately HK\$1,569,556,000. The gross profit of the Group reached approximately HK\$1,095,469,000, a decrease of approximately 1.2% from approximately HK\$1,108,818,000 during the corresponding period in 2014; the profit attributable to the owners of the Company reached approximately HK\$110,715,000, a decrease of approximately 13.3% from approximately HK\$127,679,000 in 2014. The basic earnings per share decreased to HK10.14 cents from HK11.71 cents per ordinary share during the corresponding period in the previous year.

During the current reporting period, the Group focused on streamlining the existing stores, adopting a prudent strategy in opening new stores. The Group adopted more focused strategies in its development, and continued to expand the restaurants network and deepened the density in mature markets, such as Beijing, Jiangsu, Zhejiang and Shanghai. As at 30 June 2015, the Group had a total of 664 fast casual chain restaurants, an increase of 27 from 637 during the corresponding period in 2014; the Group's restaurant network extended its reach to 31 provinces and municipalities nationwide, amounting to 119 cities in aggregate, increasing 3 cities as compared with the corresponding period in 2014.

The construction and operation of the four major production bases in China guaranteed the steady growth and food quality of the Group's chain restaurant network. The Group's four major factories in Shanghai, Chengdu, Tianjin and Dongguan have been put into operation, to support the Group's network expansion.

During the current reporting period, the Group's cost of inventories as a proportion to turnover was approximately 30.2%, representing a decrease of approximately 1.0 percentage point as compared with the corresponding period last year. Accordingly, the gross profit margin increased to approximately 69.8% from approximately 68.8% during the corresponding period last year, which was attributable to the stability in raw material costs. The Group will properly control the raw material costs, and is therefore confident in achieving the expected gross profit margin.

During the current reporting period, the Group's labour costs accounted for approximately 24.9% of the turnover, which was approximately 0.1 percentage point higher than that of the corresponding period last year. During the reporting period, the level of minimum wage was raised in a number of provinces and cities in China successively, and the Group has adjusted its employee wages in compliance with the relevant law and regulations.

During the current reporting period, rent and related costs as a proportion to turnover of the Group was approximately 16.1%, which was approximately 0.7 percentage point higher than that of the corresponding period last year. During the reporting period, the Group applied stringent criteria in location selection, so as to guarantee the success rate of new stores. Also, a large number of medium-size and small-size restaurants were developed to enhance the output per unit area. The Group was able to secure long-term fixed lease terms as it expands the restaurant network.

The operation of over 660 restaurants under the Group is dependent upon the efficacy of our management and staff training. During the current reporting period, the Group placed emphasis on the guidance and training of restaurant managers and regional supervisors. The operation efficiency of each restaurant was enhanced through constant upgrading of its basic management level. This year, the Group continued to host the inter-restaurant competition to fully mobilize its staff, thus making prominent contribution the Group's turnover.

MANAGEMENT DISCUSSION AND ANALYSIS

Important events after the current reporting period

Pursuant to a limited partnership agreement in relation to the admission and management of Hina Group Fund III Limited Partnership (the “Partnership”) entered into on 30 July 2015 among Ajisen Investments Limited (“Ajisen Investments”, an indirect wholly-owned subsidiary of the Company), as the limited partners, and The Hina Group Holdings and Hanking Group Co., Ltd., as the general partners, the total capital commitment of the Partnership is expected to be US\$70 million, and Ajisen Investments would invest an amount of US\$60 million in the Partnership as a limited partner. As at the date of this interim report, 20% of the capital commitment, being US\$12 million has been paid by Ajisen Investments. The purpose of the Partnership is to participate in the investment of the takeout business of Baidu, Inc. known as “Baidu Takeout Delivery” (百度外賣) in the PRC (“Project BW”). It is intended that the Partnership would invest about US\$70 million into Project BW, and take up less than 10% interest of Project BW.

As at the date of this interim report, the directors of the Company (the “Directors”) are still in the process of assessing the financial effect of this transaction. Please refer to the announcement published by the Company on 30 July 2015 for the details.

Retail Chain Restaurants

During the first half of 2015, the Group’s major business and primary source of income continued to stem from the retail chain restaurant business. During the reporting period, the Group’s restaurant business income recorded approximately HK\$1,513,474,000 (2014: HK\$1,548,704,000), accounted for approximately 96.4% (2014: 96.1%) of the Group’s total revenue, a decrease of 2.3% from the corresponding period last year.

MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2015, the Group's restaurant portfolio consisted of 664 Ajisen chain restaurants, comprising the following:

	30 June 2015	30 June 2014	+/-
By type:			
Owned and managed	663	635	28
Owned but not managed	1	2	-1
Total	664	637	27
By provinces:			
Shanghai	140	138	2
Beijing	39	37	2
Tianjin	7	7	0
Guangdong (excluding Shenzhen)	56	57	-1
Shenzhen	28	30	-2
Jiangsu	81	72	9
Zhejiang	52	49	3
Sichuan	22	24	-2
Chongqing	17	14	3
Fujian	18	18	0
Hunan	17	16	1
Hubei	16	17	-1
Liaoning	10	9	1
Shandong	40	36	4
Guangxi	6	7	-1
Guizhou	3	4	-1
Jiangxi	10	9	1
Shaanxi	13	12	1
Yunnan	6	7	-1
Henan	4	3	1
Hebei	4	4	0
Anhui	14	12	2
Gansu	1	1	0
Xinjiang	2	2	0
Hainan	3	3	0
Shanxi	1	1	0
Neimenggu	5	4	1
Heilongjiang	5	3	2
Ningxia, Qinghai	2	2	0
Jilin	2	1	1
Hong Kong	39	36	3
Taiwan*	1	2	-1
Total	664	637	27
Total saleable area (sq. meters)	152,114	148,874	3,240

* Note: Ajisen (China) Holdings Limited holds 15% interest in restaurants operated in Taiwan.

MANAGEMENT DISCUSSION AND ANALYSIS

	30 June 2015	30 June 2014	+/-
By geographical region:			
Northern China	115	104	11
Eastern China	273	259	14
Southern China	150	151	-1
Central China	125	121	4
Taiwan	1	2	-1
Total	664	637	27

Sales of packaged noodle and related products

The manufacturing and sales of packaged noodle products under the Ajisen brand is one of the Group's two main businesses and is a beneficial complement to the major business of FCR network operation. These packaged noodle products are manufactured solely by the Group. Besides they are supplied to the chain restaurants of the Group and also sold through diversified channels, including supermarkets and department stores, which further enhanced the awareness of the Ajisen brand.

For the six months ended 30 June 2015, revenue from the sales of packaged noodle and related products was approximately HK\$56,082,000 (2014: HK\$63,122,000), accounted for approximately 3.6% (2014: 3.9%) of the Group's total revenue.

The Group has an extensive distribution network for the packaged noodle and related products in China. As of 30 June 2015, the total number of points-of-sale in this network reached approximately 8,000, which was the same compared to the corresponding period last year. The distribution network covers over 30 cities in China. These distributors include nationwide retailers such as Wal-Mart, Carrefour and Metro, and regional retailers such as China Resources Vanguard, Sanjiang in Ningbo and Century Lianhua, as well as reputable convenient chain stores such as Allday, Kedi and C-Store.

Financial Review

Turnover

For the six months ended 30 June 2015, the Group's turnover decreased by approximately 2.6%, or approximately HK\$42,270,000 to approximately HK\$1,569,556,000 from approximately HK\$1,611,826,000 for the corresponding period in 2014. Such decrease was mainly due to the decrease in the same store growth of the Group during the reporting period.

Cost of inventories consumed

For the six months ended 30 June 2015, the Group's cost of inventories decreased by approximately 5.7%, or approximately HK\$28,921,000, to approximately HK\$474,087,000 from approximately HK\$503,008,000 for the corresponding period in 2014. During the reporting period, the ratio of inventories cost to turnover was approximately 30.2%, lower than 31.2% for the corresponding period in 2014. Such decrease was attributable to the stability in the purchasing cost for the period.

MANAGEMENT DISCUSSION AND ANALYSIS

Gross profit and gross profit margin

Driven by the above factors, gross profit for the six months ended 30 June 2015 decreased by approximately 1.2%, or approximately HK\$13,349,000 to approximately HK\$1,095,469,000 from approximately HK\$1,108,818,000 for the corresponding period in 2014. Gross profit margin of the Group also further increased from approximately 68.8% for the corresponding period in 2014 to approximately 69.8%.

Property rentals and related expenses

For the six months ended 30 June 2015, property rentals and related expenses of the Group increased by approximately 1.9% from approximately HK\$247,499,000 for the corresponding period in 2014 to approximately HK\$252,299,000. Its proportion to turnover increased by 0.7 percentage point from approximately 15.4% for the corresponding period in 2014 to approximately 16.1%. Such increase was mainly attributable to the increase in rentals for certain shops for the period.

Staff costs

For the six months ended 30 June 2015, staff costs of the Group decreased by approximately 2.2% from approximately HK\$399,087,000 for the corresponding period in 2014 to approximately HK\$390,250,000. Staff costs as a proportion to turnover increased from approximately 24.8% for the corresponding period in 2014 by 0.1 percentage point to approximately 24.9%, which reflected the minimum wages was raised in a number of provinces and cities in China.

Depreciation

For the six months ended 30 June 2015, depreciation of the Group increased by approximately 10.3% or approximately HK\$9,385,000 from approximately HK\$90,801,000 for the corresponding period in 2014 to approximately HK\$100,186,000. Such increase was mainly attributable to the opening of new factory in second half of 2014.

Other operating expenses

Other operating expenses mainly included expenses for fuel and utility, consumables, advertising and promotion and franchise fee. For the six months ended 30 June 2015, other operating expenses decreased by approximately 0.8%, or approximately HK\$1,955,000, to approximately HK\$229,583,000 from approximately HK\$231,538,000 for the corresponding period in 2014. Its proportion to turnover was increased by 0.2 percentage point from 14.4% to approximately 14.6%, which was mainly attributable to the decrease in expenses spent on consumables, and fuel and utility for the period, while expenses spent on advertising and promotion had increased to approximately HK\$39,746,000 from approximately HK\$34,310,000 for the corresponding period in 2014.

Other income

For the six months ended 30 June 2015, other income of the Group increased by approximately 7.1%, or approximately HK\$4,151,000, to approximately HK\$62,252,000 from approximately HK\$58,101,000 for the corresponding period in 2014. The increase was mainly originated from the increase in government grant and bank interest income during the period.

Other gains and losses

For the six months ended 30 June 2015, other gains and losses of the Group increased by approximately 226.4% or approximately HK\$9,632,000, to approximately HK\$13,887,000 from approximately HK\$4,255,000 for the corresponding period in 2014. The increase was due to impairment of HK\$6,000,000 of the Group's unlisted equity investment for the period.

MANAGEMENT DISCUSSION AND ANALYSIS

Finance costs

For the six months ended 30 June 2015, finance costs decreased by approximately 4.3%, or approximately HK\$63,000 to approximately HK\$1,388,000 from approximately HK\$1,451,000 for the corresponding period in 2014. The decrease was mainly due to repayment of certain loans during the period.

Profit before taxation

Being affected by the factors referred to above, the Group's profit before taxation for the six months ended 30 June 2015 decreased by approximately 11.5%, or approximately HK\$22,060,000 to approximately HK\$170,223,000 from approximately HK\$192,283,000 for the corresponding period in 2014.

Profit attributable to owners of the Company

Being affected by the factors referred to above and due to no refund of income tax for the period, profit attributable to owners of the Company for the six months ended 30 June 2015 decreased by approximately 13.3%, or approximately HK\$16,964,000, to approximately HK\$110,715,000 from approximately HK\$127,679,000 for the corresponding period in 2014.

Assets and liabilities

The Group's net current assets were approximately HK\$1,646,017,000 and the current ratio was 3.5 as at 30 June 2015 (31 December 2014: 4.0). As the Group is primarily engaged in the restaurant business, most of the sales are settled in cash. As a result, the Group was able to maintain a relatively high current ratio. The decrease in current ratio was mainly attributable to the increase in dividend payable as at 30 June 2015.

Cash flows

Net cash inflow from operations of the Group for the six months ended 30 June 2015 was approximately HK\$268,928,000 while profit before taxation for the same period was approximately HK\$170,223,000. The operating cash inflows was mainly due to increase in profitability of FCR operated by the Group which the increase in size of operation of the Group strengthened the bargaining power of the Group with the suppliers and slowed down settlement of purchases.

Liquidity and financial resources

The liquidity and financial position of the Group as at 30 June 2015 remained healthy and strong, with bank balances amounting to HK\$1,920,703,000 (31 December 2014: HK\$1,931,746,000) and a current ratio of 3.5 (31 December 2014: 4.0).

As at 30 June 2015, the Group had bank borrowings of HK\$132,935,000 (31 December 2014: 134,642,000) and therefore the gearing ratio (expressed as a percentage of total borrowings over total assets) was 3.1 (31 December 2014: 3.2).

Exposure to exchange rates

Presently, most of the Group's business transactions, assets and liabilities are denominated in RMB and settled in RMB. The Group's exposure to currency risk is minimal as the Group's assets and liabilities as at 30 June 2015 and 31 December 2014 were denominated in the respective group companies' functional currencies. The Group does not have any currency hedging policy and has not entered into any hedging or other instrument to reduce currency risks. However, the management will closely monitor the Group's exposure to the fluctuation of exchange rates and take appropriate measures as necessary to minimise any adverse impact that may be caused by such fluctuation.

MANAGEMENT DISCUSSION AND ANALYSIS

Significant investments held, material acquisitions and disposals of subsidiaries, and future plans for material investments or capital assets

Save for those disclosed in this interim report, there were no other significant investments held, nor were there any material acquisitions or disposals of subsidiaries during the period under review. Apart from those disclosed in this interim report, there was no plan authorised by the Board for other material investments or additions of capital assets at the date of this interim report.

Charges on assets

Details of charges on assets are included in notes 16 and 23 to the condensed consolidated financial statements of this interim report.

Interest rate risk

As the Group has no significant interest-bearing assets (other than structured deposit, pledged bank deposits and bank balances and cash), the Group's income and operating cash flows are substantially independent of changes in market interest rates.

Credit risk

The Group has no significant concentrations of credit risk. The carrying amounts of trade receivables, deposits and other receivables, bank balances and cash and structured deposit, pledged bank deposits included in the consolidated balance sheets represent the maximum exposure to credit risk in relation to the Group's financial assets. The Group typically does not require collaterals from customers. Provisions are made for the balance that is past due when the management considers the loss from non-performance by the customers is likely. Sales to retail customers are settled in cash or using major credit cards. The Group also makes deposits to the relevant landlords for lease of certain of the self-managed outlets. The management does not expect to incur any loss from non-performance by these counterparties.

As of 30 June 2015 and 31 December 2014, all of the bank balances, structured deposits and pledged bank deposits were deposited with highly reputable and sizable banks and financial institutions without significant credit risk in the PRC and Hong Kong. The management does not expect to incur any loss from non-performance by these banks and financial institutions.

Contingent liabilities

As of June 30, 2015, the Group did not have any significant contingent liabilities.

Capital expenditure

For the six months ended 30 June 2015, the Group's capital expenditure was approximately HK\$72,787,000 (corresponding period in 2014: HK\$80,914,000), which was due to the decrease in purchase of property, plant and equipment.

Key operating ratios for "Ajisen Ramen" restaurants

	Hong Kong			PRC		
	1-6/2015	1-12/2014 (approximate) (unaudited)	1-6/2014	1-6/2015	1-12/2014 (approximate) (unaudited)	1-6/2014
Comparable restaurant sales growth:	4.3%	-2.7%	-0.7%	-7.8%	2.3%	4.2%
Per capita spending:	HK\$65.6	HK\$65.3	HK\$65.8	RMB44.6	RMB43.4	RMB43.1
Table turnover per day (times per day):	5.0	5.0	5.1	3.4	3.4	3.4



TO THE BOARD OF DIRECTORS OF AJISEN (CHINA) HOLDINGS LIMITED

Introduction

We have reviewed the condensed consolidated financial statements of Ajisen (China) Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 14 to 41, which comprise the condensed consolidated statement of financial position as of 30 June 2015 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review 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 Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
26 August 2015

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2015

	Notes	Six months ended 30 June	
		2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Turnover	4	1,569,556	1,611,826
Other income	5	62,252	58,101
Other gains and losses	6	(13,887)	(4,255)
Cost of inventories consumed		(474,087)	(503,008)
Staff costs		(390,250)	(399,087)
Depreciation		(100,186)	(90,801)
Property rentals and related expenses		(252,299)	(247,499)
Other operating expenses		(229,583)	(231,538)
Share of profit (loss) of an associate		95	(5)
Finance costs	7	(1,388)	(1,451)
Profit before taxation	8	170,223	192,283
Taxation	9	(47,117)	(54,463)
Profit for the period		123,106	137,820
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Gain on revaluation of properties		15,120	–
Deferred tax liability on recognition of revaluation of properties		(8,685)	–
		6,435	–
Items that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of financial statements of foreign operations		581	(17,077)
Other comprehensive income (expense) for the period, net of income tax		7,016	(17,077)
Total comprehensive income for the period		130,122	120,743
Profit for the period attributable to:			
Owners of the Company		110,715	127,679
Non-controlling interests		12,391	10,141
		123,106	137,820

(continued)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2015

	Notes	Six months ended 30 June	
		2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Total comprehensive income attributable to:			
Owners of the Company		117,696	111,530
Non-controlling interests		12,426	9,213
		130,122	120,743
Earnings per share	11	HK cents	HK cents
– Basic		10.14	11.71
– Diluted		10.14	11.69

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015

	Notes	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
Non-current assets			
Investment properties	12	498,600	435,911
Property, plant and equipment	12	1,200,579	1,285,056
Prepaid lease payments		101,791	106,056
Intangible assets		6,400	6,400
Loan to an associate		1,495	1,495
Rental deposits		85,230	86,127
Goodwill		37,135	37,135
Deferred tax assets		2,175	2,175
Available-for-sale investments	13	13,521	13,537
Interest in an associate		95	–
		1,947,021	1,973,892
Current assets			
Inventories		105,320	110,096
Trade and other receivables	14	143,268	133,845
Amounts due from related parties	15	20	290
Taxation recoverable		1,012	2,901
Structured deposits	16	133,146	–
Pledged bank deposits	16	7,685	7,682
Bank balances and cash		1,920,703	1,931,746
		2,311,154	2,186,560
Current liabilities			
Trade and other payables	17	369,322	375,480
Amounts due to related companies	18	7,004	9,085
Amounts due to directors	18	196	742
Amount due to a shareholder	18	17,765	31,517
Amounts due to non-controlling shareholders	18	15,587	15,587
Dividend payable		141,915	22
Taxation payable		49,887	51,627
Bank loans	19	63,461	63,426
		665,137	547,486
Net current assets		1,646,017	1,639,074

(continued)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015

	Notes	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
Total assets less current liabilities		3,593,038	3,612,966
Non-current liabilities			
Bank loans	19	69,474	71,216
Deferred tax liabilities		55,273	54,398
		124,747	125,614
Net assets		3,468,291	3,487,352
Capital and reserves			
Share capital	20	109,154	109,153
Reserves		3,245,076	3,265,153
Equity attributable to owners of the Company		3,354,230	3,374,306
Non-controlling interests		114,061	113,046
Total equity		3,468,291	3,487,352

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

	Share capital	Share premium	Special reserve	Share options reserve	Capital reserve	Properties revaluation reserve	Translation reserve	Statutory surplus reserve fund	Retained profits	Attributable to owners of the Company	Non-controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2014 (Audited)	108,970	1,917,609	(277,655)	71,218	1,159	32,706	286,914	117,995	1,006,585	3,265,501	96,225	3,361,726
Profit for the period	-	-	-	-	-	-	-	-	127,679	127,679	10,141	137,820
Other comprehensive income for the period	-	-	-	-	-	-	(16,149)	-	-	(16,149)	(928)	(17,077)
Total comprehensive income for the period	-	-	-	-	-	-	(16,149)	-	127,679	111,530	9,213	120,743
Dividends recognised as distribution (Note 10)	-	-	-	-	-	-	-	-	(137,412)	(137,412)	-	(137,412)
Dividends paid to a non-controlling shareholder	-	-	-	-	-	-	-	-	-	-	(11,393)	(11,393)
Transfer	-	-	-	-	-	-	-	22	(22)	-	-	-
Shares issued upon exercise of share options	119	10,407	-	(4,166)	-	-	-	-	-	6,360	-	6,360
Recognition of equity-settled share-based payments	-	-	-	10,804	-	-	-	-	-	10,804	-	10,804
Capital contribution from non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	5,470	5,470
At 30 June 2014 (Unaudited)	109,089	1,928,016	(277,655)	77,856	1,159	32,706	270,765	118,017	996,830	3,256,783	99,515	3,356,298
At 1 January 2015 (Audited)	109,153	1,933,820	(277,655)	79,872	1,159	39,138	277,492	126,313	1,085,014	3,374,306	113,046	3,487,352
Profit for the period	-	-	-	-	-	-	-	-	110,715	110,715	12,391	123,106
Other comprehensive income for the period	-	-	-	-	-	6,435	546	-	-	6,981	35	7,016
Total comprehensive income for the period	-	-	-	-	-	6,435	546	-	110,715	117,696	12,426	130,122
Dividends recognised as distribution (Note 10)	-	-	-	-	-	-	-	-	(141,898)	(141,898)	-	(141,898)
Dividends paid to a non-controlling shareholder	-	-	-	-	-	-	-	-	-	-	(11,411)	(11,411)
Transfer	-	-	-	-	-	-	-	26	(26)	-	-	-
Shares issued upon exercise of share options	1	68	-	(23)	-	-	-	-	-	46	-	46
Recognition of equity-settled share-based payments	-	-	-	4,080	-	-	-	-	-	4,080	-	4,080
At 30 June 2015 (Unaudited)	109,154	1,933,888	(277,655)	83,929	1,159	45,573	278,038	126,339	1,053,805	3,354,230	114,061	3,468,291

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2015

	Six months ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Operating activities		
Profit before taxation	170,223	192,283
Adjustments for:		
Fair value changes on investment properties	253	–
Depreciation for property, plant and equipment	96,495	90,801
Finance costs	1,388	1,451
Bank interest income	(17,205)	(13,378)
Share of profit (loss) of an associate	(95)	5
Loss on disposal of property, plant and equipment	7,864	6,335
Operating lease rentals in respect of prepaid lease payments	3,691	1,745
Share-based payment expenses	4,080	10,804
Impairment loss on available-for-sale investments	6,000	–
Operating cash flows before movements in working capital	272,694	290,046
Decrease in inventories	4,776	16,038
Decrease (increase) in amounts due from related companies	270	(189)
Decrease in rental deposits	897	6,319
Increase in trade and other receivables	(9,438)	(28,113)
Decrease in trade and other payables	(271)	(373)
Cash generated from operations	268,928	283,728
Tax paid	(54,793)	(45,740)
Net cash from operating activities	214,135	237,988
Investing activities		
Interest received	17,205	13,378
Proceeds from disposal of property, plant and equipment	189	174
Proceeds on disposal of available-for-sale investments	–	636
Purchases of available-for-sale investments	(5,984)	–
Investment in an associate	–	(5)
Loan to an associate	–	(1,495)
Purchase of property, plant and equipment	(72,787)	(80,914)
Purchase of structured deposits	(133,146)	(148,661)
Withdrawal of structured deposits	–	138,636
Net cash used in investing activities	(194,523)	(78,251)

(continued)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2015

	Six months ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Financing activities		
Proceeds from issue of shares	46	6,360
Advance from related parties	7,004	5,753
Advance from directors	196	319
Contribution by non-controlling shareholders of subsidiaries	–	5,470
Dividends paid	(5)	(7)
Interest paid	(1,388)	(1,451)
Dividends paid to a non-controlling shareholder	(11,411)	(11,393)
Repayment to non-controlling shareholders	–	(2,490)
Repayment to related parties	(9,085)	(7,348)
Repayment to directors	(742)	(544)
Repayment to shareholders	(13,752)	(10,439)
Repayment of bank borrowings	(1,707)	(1,673)
Net cash used in financing activities	(30,844)	(17,443)
Net (decrease) increase in cash and cash equivalents	(11,232)	142,294
Cash and cash equivalents at 1 January	1,931,746	1,708,672
Effect of foreign exchange rate changes	189	(5,983)
Cash and cash equivalents at 30 June, representing bank balance and cash	1,920,703	1,844,983

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

1. General

The Company is incorporated and registered as an exempted company with limited liability on 6 April 2006 under the Companies Law of the Cayman Islands and acts as an investment holding company. Its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 30 March 2007. Its immediate holding company is Favor Choice Limited, a company which is incorporated in the British Virgin Islands and wholly-owned by Anmi Holdings Limited, a company which is incorporated in the British Virgin Islands and wholly-owned by Anmi Trust, which is founded by Ms. Poon Wai ("Ms. Poon") who is a director of the Company. The addresses of the registered office and the principal place of business of the Company are disclosed in the "Corporation Information" section of the interim report.

2. Basis of Preparation

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (HKAS 34) Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

3. Principal Accounting Policies

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain investment properties and financial instruments, which are measured at fair values.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2015 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2014.

In the current interim period, the Group has applied, for the first time, several amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA which are effective for the Group's financial year beginning on 1 January 2015.

The application of the new amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

4. Segment Information

The following is an analysis of the Group's revenue and results by reportable and operating segments.

For the period ended 30 June 2015 (unaudited)

	Operation of restaurants			Manufacture and sales of noodles and related products HK\$'000	Investment holding HK\$'000	Segment total HK\$'000	Elimination HK\$'000	Total HK\$'000
	The People's Republic of China (the "PRC") HK\$'000	Hong Kong HK\$'000	Total HK\$'000					
Revenue								
– external sales	1,393,522	119,952	1,513,474	56,082	–	1,569,556	–	1,569,556
– inter-segment sales	–	–	–	391,778	–	391,778	(391,778)	–
	1,393,522	119,952	1,513,474	447,860	–	1,961,334	(391,778)	1,569,556
Segment profits	153,060	6,247	159,307	5,850	10,358	175,515	–	175,515
Unallocated income								17,205
Unallocated expenses								(21,109)
Finance costs								(1,388)
Profit before taxation								170,223
Taxation								(47,117)
Profit for the period								123,106

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

4. Segment Information (Continued)

For the period ended 30 June 2014 (unaudited)

	Operation of restaurants			Manufacture and sales of noodles and related products HK\$'000	Investment holding HK\$'000	Segment total HK\$'000	Elimination HK\$'000	Total HK\$'000
	PRC HK\$'000	Hong Kong HK\$'000	Total HK\$'000					
Revenue								
– external sales	1,432,554	116,150	1,548,704	63,122	–	1,611,826	–	1,611,826
– inter-segment sales	–	–	–	393,056	–	393,056	(393,056)	–
	1,432,554	116,150	1,548,704	456,178	–	2,004,882	(393,056)	1,611,826
Segment profits	185,369	(2,569)	182,800	6,380	9,001	198,181	–	198,181
Unallocated income								13,378
Unallocated expenses								(17,825)
Finance costs								(1,451)
Profit before taxation								192,283
Taxation								(54,463)
Profit for the period								137,820

Segment profits represent the profits earned by each segment without allocation of central administrative costs and directors' salaries, investment income and finance costs. This is the measure reported to the chief operating decision maker, Ms. Poon, for the purposes of resource allocation and assessment of segment performance.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

5. Other Income

	Six months ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Royalties from sub-franchisees	7,211	11,485
Government grant (note)	23,810	21,772
Bank interest income	17,205	13,378
Property rental income, net of negligible outgoings	10,611	9,001
Others	3,415	2,465
	62,252	58,101

Note: The amount of government grant represents the incentive subsidies received from the PRC local district authorities for the business activities carried out by the Group in the district. There are no specific conditions attached to the grant.

6. Other Gains and Losses

	Six months ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Loss on disposal of property, plant and equipment	(7,864)	(6,335)
Net foreign exchange gain	230	2,080
Impairment loss on available-for-sale investments	(6,000)	–
Fair value changes on investment properties	(253)	–
	(13,887)	(4,255)

7. Finance Costs

	Six months ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Interest on bank borrowings:		
– wholly repayable within five years	645	405
– not wholly repayable within five years	743	1,046
	1,388	1,451

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

8. Profit Before Taxation

	Six months ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Profit before taxation has been arrived at after charging:		
Cost of inventories consumed (<i>note a</i>)	474,087	503,008
Advertising and promotion expenses	39,746	34,310
Fuel and utility expenses	80,723	81,883
Operating lease rentals in respect of		
– land lease	3,691	1,745
– rented premises (<i>note b</i>)	219,338	216,187

Notes:

- This represents costs of raw materials and consumables used.
- Included in the operating lease rentals in respect of rental premises are minimum lease payments of approximately HK\$153,929,000 (six months ended 30 June 2014: HK\$129,040,000) and contingent rent of approximately HK\$65,409,000 (six months ended 30 June 2014: HK\$87,147,000).

9. Taxation

	Six months ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Hong Kong Profits Tax		
– current period	3,670	2,559
	3,670	2,559
PRC income tax		
– current period	47,453	53,965
– over-provision in prior periods	(6,906)	(5,361)
	40,547	48,604
Deferred taxation	2,900	3,300
	47,117	54,463

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

9. Taxation (Continued)

The income tax expense in Hong Kong and the PRC is recognised based on management's best estimate of the annual income tax rate expected for the full financial year. The estimated annual tax rates for Hong Kong Profits Tax and PRC income tax are 16.5% (six months ended 30 June 2014: 16.5%) and 25% (six months ended 30 June 2014: 25%), respectively, for the period under review.

Pursuant to the relevant provincial policy and written approval obtained from the State Tax Bureau in Chongqing ("Chongqing STB") in 2009, Chongqing Weiqian Food & Restaurant Management Co., Ltd. 重慶味千餐飲管理有限公司 ("Chongqing Weiqian"), which is located in Chongqing, China, applied a preferential tax rate of 15% ("Preferential Tax Treatment") from 2009 to 2010.

During 2011, the Company received notice that the PRC National Audit Office recently issued a letter to the Chongqing STB stating that a few restaurant companies, including Chongqing Weiqian, should not have been granted the Preferential Tax Treatment for the year 2009. The PRC National Audit Office's ruling was that Chongqing Weiqian should pay enterprise income tax at the standard rate of 25%. During 2011, the Group made additional enterprise income tax provision of approximately HK\$3.8 million (equivalent to approximately RMB3.2 million) for the year 2009 and paid such amount to the Chongqing STB in a timely manner as requested. In addition, the Group made provision of approximately HK\$11.4 million (equivalent to approximately RMB9.0 million) for the potential payment of additional enterprise income tax based on the standard rate of 25% for the year 2010. As such, the Group applied the standard enterprise income tax rate of 25% for Chongqing Weiqian from the year 2011 onwards.

During the year ended 31 December 2013, the Chongqing STB issued a written notice to Chongqing Weiqian which confirmed that Chongqing Weiqian would be permitted to apply the Preferential Tax Treatment for 2009. Accordingly, the Company reversed the income tax liability of approximately HK\$15.2 million (equivalent to approximately RMB12.2 million) which was previously recognized during 2011 in relation to the change in the Preferential Tax Treatment for the years 2009 and 2010. In addition, Chongqing Weiqian was granted a preferential tax rate of 15% for the year 2011 and 2012, the Company reversed the income tax liability of approximately HK\$11.2 million (equivalent to approximately RMB 8.9 million) which was previously recognized for the year 2011 and 2012.

According to the Chongqing STB, the preferential tax rate needs to be applied by the Company and approved year by year after year 2013. As such, the Group applied the standard enterprise income tax rate of 25% for Chongqing Weiqian from the year 2013 onwards and reversed the income tax liability after obtaining the written approval.

During the six months ended 30 June 2015, Chongqing Weiqian was granted a preferential tax rate of 15% for the year 2014, the Company reversed the income tax liability of approximately HK\$6.9 million (equivalent to approximately RMB5.4 million) which was previously recognized for the year 2014.

During the six months ended 30 June 2014, Chongqing Weiqian was granted a preferential tax rate of 15% for the year 2013, the Company reversed the income tax liability of approximately HK\$5.2 million (equivalent to approximately RMB4.0 million) which was previously recognized for the year 2013.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

10. Dividends

	Six months ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Dividends recognised as distribution during the period:		
Final, declared - HK13.0 cents per share for 2014 (2014: declared - HK2.71 cents per share for 2013)	141,898	29,531
Special, declared - nil for 2014 (2014: HK 9.90 cents per share for 2013)	-	107,881
	141,898	137,412

An interim dividend of HK4.70 cents per ordinary share has been declared by the directors for the period ended 30 June 2015 (six months ended 30 June 2014: HK 4.70 cents). During the six months ended 30 June 2015, the dividends declared have not been paid.

11. Earnings Per Share

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Earnings for the purposes of basic and diluted earnings per share, being profit for the period attributable to owners of the Company	110,715	127,679
	Number of shares	
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	1,091,527,839	1,090,612,334
Effect of dilutive potential ordinary shares relating to: - outstanding share options	63,765	1,848,387
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	1,091,591,604	1,092,460,721

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

11. Earnings Per Share (Continued)

Certain outstanding share options of the Company have not been included in the computation of diluted earnings per share as they did not have a dilutive effect to the Company's earnings per share during the six months ended 30 June 2015 and 30 June 2014 because the exercise prices of these Company's share options were higher than the average market prices of the Company's shares during both periods.

12. Movements In Investment Properties and Property, Plant and Equipment

During the six months ended 30 June 2015, the Group transferred certain of its property interests held under operating leases with carrying values of approximately HK\$47,158,000 (six months ended 30 June 2014: Nil) from property, plant and equipment, and HK\$618,000 (six months ended 30 June 2014: Nil) from prepaid lease payments to investment properties. The resulting revaluation surplus of approximately HK\$15,120,000 (six months ended 30 June 2014: Nil) relating to such property interests as at the date of transfer had been credited to the properties revaluation in equity.

The fair values of certain investment properties transferred during the period were valued by Crowe Horwath (HK) Consulting & Valuation Limited, independent qualified professional valuer not related to the Group, at 1 January 2015, 1 May 2015 (date of change of intention of the use of the property interests) and 30 June 2015 (six months ended 30 June 2014: Nil).

During the six months ended 30 June 2015, change in the fair values of approximately HK\$253,000 (six months ended 30 June 2014: Nil) of the investment properties of the Group has been recognised in the condensed consolidated statement of profit or loss and other comprehensive income.

During the period, the Group spent approximately HK\$66,900,000 on acquisition of property, plant and equipment (six months ended 30 June 2014: HK\$68,738,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

13. Available-for-Sale Investments

	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
Unlisted equity investments in British Virgin Islands, at cost	20,000	20,000
Unlisted equity investments in PRC, at cost	6,521	537
	26,521	20,537
Less: provision for impairment	13,000	7,000
	13,521	13,537

At 30 June 2015, the unlisted equity investments are equity securities issued by private entities established in British Virgin Islands, PRC and Taiwan.

On 27 February 2015, an indirect wholly-owned subsidiary of the Company, namely Ling Chi Food Development (Shanghai) Co., Ltd. ("Ling Chi Food"), made a cash capital contribution of HK\$5.9 million (equivalent to approximately RMB 4.7 million), as a limited partner, approximately 4.4% of total capital contribution in a limited partnership established in the PRC (the "Investments"). The Investments indirectly invested into an O2O platform carrying out raw material supply chain business. The Group would neither gain control, joint control nor significant influence of the Investments. Therefore, the Investments would be reflected as available-for-sale investments carried at cost in the condensed consolidated statement of financial position as at 30 June 2015.

The investments are measured at cost less impairment at the end of each reporting period because the range of reasonable fair value estimates is so significant that the directors are of the opinion that fair values cannot be measured reliably. During the period, a further impairment loss of HK\$6,000,000 (six months ended 30 June 2014: Nil) has been made on the Group's unlisted equity investment.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

14. Trade and Other Receivables

	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
Trade receivables		
– a related company	1,186	1,186
– others	29,273	21,966
	30,459	23,152
Rental and utility deposits	36,858	33,923
Property rentals paid in advance for restaurants	27,259	25,343
Advance to suppliers	28,529	26,705
Other receivables and prepayments	20,163	24,722
	143,268	133,845

The related company is a company in which Ms. Poon has controlling interests.

Customers including both independent third parties and related companies of noodles and related products are normally granted 60 to 90 days (31 December 2014: 60 to 90 days) credit period upon issuance of invoices, except for certain well established customers for which the credit terms are up to 180 days (31 December 2014: 180 days). There was no credit period for customers relating to sales from operation of restaurants. The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on invoice dates at the end of the reporting period, which approximated the respective revenue recognition dates:

	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
Age		
0 to 30 days	19,600	15,757
31 to 60 days	3,223	3,574
61 to 90 days	649	398
91 to 180 days	1,178	1,182
Over 180 days	5,809	2,241
	30,459	23,152

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

15. Amounts Due From Related Parties

Details of the amounts due from related parties are as follows:

Name of related companies	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
Well Keen International Ltd., a company in which Ms. Poon has controlling interests	15	15
Ikkosha (East Asia) Co., Ltd., an associate of a subsidiary of Ajisen (China) Holdings Limited	5	275
	20	290

The amounts were unsecured, interest-free and repayable on demand.

16. Structured Deposits/Pledged Bank Deposits

During the period, the Group placed several principal-guaranteed structured deposits in certain banks in the PRC with an aggregate carrying amount of HKD133,146,000 (equivalent to approximately RMB105,000,000) with contractual periods ranging from three months to six months. They carry fixed return rates ranging from 3.60% to 7.00% per annum. Therefore, they are classified as loans and receivables in the condensed consolidated statement of financial position as at 30 June 2015.

As at 30 June 2015, pledged bank deposits held by the Group amounting to HK\$7,685,000 (equivalent to approximately RMB6,060,000), represent deposits pledged to banks to secure advances on construction and are therefore classified as current assets.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

17. Trade and Other Payables

	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
Trade payables		
– a related company	5,870	6,724
– others	126,829	132,739
	132,699	139,463
Payroll and welfare payables	53,797	55,382
Customers' deposits received	12,962	13,163
Payable for acquisition of property, plant and equipment	65,725	71,612
Payable for property rentals	35,182	35,112
Other taxes payable	33,844	35,299
Others	35,113	25,449
	369,322	375,480

The related companies are companies in which Mr. Katsuaki Shigemitsu, who is a director and shareholder of the Companies, has controlling interests.

The average credit period for the purchase of goods is 60 days (31 December 2014: 60 days). The following is an aged analysis of trade payables presented based on invoice dates at the end of the reporting period:

	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
0 to 30 days	81,339	84,514
31 to 60 days	38,449	39,520
61 to 90 days	5,190	6,272
91 to 180 days	4,645	1,012
Over 180 days	3,076	8,145
	132,699	139,463

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

18. Amounts Due to Related Companies/Directors/a Shareholder/ Non-Controlling Shareholders

The amounts due to related companies/directors/a shareholder/non-controlling shareholders are unsecured, interest-free and repayable on demand.

Either Ms. Poon or Mr. Katsuaki Shigemitsu has controlling interests in these related companies.

19. Bank Loans

	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
Secured bank loans with carrying amounts repayable:		
Within one year	63,461	63,426
In more than one year but not more than two years	3,531	3,496
In more than two years but not more than five years	11,031	10,920
In more than five years	54,912	56,800
	132,935	134,642
Less: amounts shown as non-current liabilities	(69,474)	(71,216)
Amounts shown as current liabilities	63,461	63,426

The amounts due are based on scheduled repayment dates set out in the loan agreements.

Detail of the assets of the Group as at 30 June 2015 and 31 December 2014 that have been pledged as collateral to secure the general banking facilities of the Group are set out in Note 23.

The Group's bank loans as at 30 June 2015 and 31 December 2014 carried variable interest rate at 3.25% below prime rate of the counterparty bank, 2.80% per annum below the base lending rate of the counterparty bank and 1.35% per annum over Hong Kong Interbank Offered Rate ("HIBOR"), and the effective interest rate was 1.83% to 2.13% (31 December 2014: 1.89% to 2.13%) per annum.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

20. Share Capital

	Number of shares	Share capital HK\$'000
Authorised:		
Ordinary shares of HK\$0.10 each		
At 1 January 2014, 31 December 2014, and 30 June 2015	10,000,000,000	1,000,000
Issued and fully paid:		
At 1 January 2014	1,089,702,820	108,970
Exercise of share options (<i>Note a</i>)	1,823,500	183
At 1 January 2015	1,091,526,320	109,153
Exercise of share options (<i>Note b</i>)	12,500	1
At 30 June 2015	1,091,538,820	109,154

Note:

- (a) During the year ended 31 December 2014, the Company issued 1,823,500 new shares upon exercises of share options at the average exercise price of HK\$5.4017 per share.
- (b) During the six months ended 30 June 2015, the Company issued 12,500 new shares upon exercise of share options at the average exercise price of HK\$3.7260 per share.

All shares issued by the Company during the year ended 31 December 2014 and the six months ended 30 June 2015 ranked pari passu in all respects with other shares in issue.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

21. Share Option Schemes

The Company adopted a share option scheme (the "Share Option Scheme") and a pre-IPO share option scheme (the "Pre-IPO Share Option Scheme").

(a) Share Option Scheme

The following table disclosed movements of the Company's share options under the Share Option Scheme during the six months ended 30 June 2015 and 30 June 2014.

Grant date	Exercise price HK\$	Outstanding at 1 January 2015	Granted during the period	Exercised during the period	Forfeited during the period	Outstanding at 30 June 2015
Employees						
25 June 2008	3.726	40,000	-	-	-	40,000
31 December 2008	3.726	82,500	-	(12,500)	-	70,000
3 July 2009	4.938	27,500	-	-	-	27,500
2 July 2010	8.884	693,000	-	-	(10,000)	683,000
6 July 2010	8.710	-	-	-	-	-
26 August 2011	5.530	11,661,000	-	-	(323,000)	11,338,000
15 October 2012	5.530	400,000	-	-	-	400,000
7 January 2013	7.140	-	-	-	-	-
2 July 2013	6.310	600,000	-	-	-	600,000
19 July 2013	7.206	-	-	-	-	-
27 August 2013	8.740	1,210,000	-	-	-	1,210,000
23 September 2013	8.524	-	-	-	-	-
25 October 2013	8.350	1,050,000	-	-	-	1,050,000
19 December 2013	7.690	50,000	-	-	-	50,000
14 April 2014	7.050	200,000	-	-	-	200,000
30 June 2014	6.020	300,000	-	-	-	300,000
25 September 2014	6.450	100,000	-	-	-	100,000
8 January 2015 (Note A)	5.900	-	250,000	-	-	250,000
2 April 2015 (Note B)	4.700	-	100,000	-	-	100,000
17 April 2015 (Note C)	5.060	-	2,200,000	-	-	2,200,000
		16,414,000	2,550,000	(12,500)	(333,000)	18,618,500
Directors						
22 January 2009	3.308	137,500	-	-	-	137,500
15 October 2012	5.530	500,000	-	-	-	500,000
		637,500	-	-	-	637,500

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

21. Share Option Schemes (Continued)

(a) Share Option Scheme (Continued)

Grant date	Exercise price HK\$	Outstanding at 1 January 2014	Granted during the period	Exercised during the period	Forfeited during the period	Outstanding at 30 June 2014
Employees						
25 June 2008	3.726	40,000	–	–	–	40,000
31 December 2008	3.726	110,000	–	(27,500)	–	82,500
3 July 2009	4.938	27,500	–	–	–	27,500
2 July 2010	8.884	900,500	–	–	(57,500)	843,000
6 July 2010	8.710	50,000	–	–	–	50,000
26 August 2011	5.530	14,813,000	–	(1,030,000)	(994,000)	12,789,000
15 October 2012	5.530	600,000	–	(40,000)	(160,000)	400,000
7 January 2013	7.140	–	–	–	–	–
2 July 2013	6.310	600,000	–	–	–	600,000
19 July 2013	7.206	400,000	–	–	–	400,000
27 August 2013	8.740	2,330,000	–	–	(300,000)	2,030,000
23 September 2013	8.524	300,000	–	–	–	300,000
25 October 2013	8.350	1,150,000	–	–	–	1,150,000
19 December 2013	7.690	50,000	–	–	–	50,000
14 April 2014	7.050	–	300,000	–	–	300,000
30 June 2014	6.020	–	300,000	–	–	300,000
		<u>21,371,000</u>	<u>600,000</u>	<u>(1,097,500)</u>	<u>(1,511,500)</u>	<u>19,362,000</u>
Directors						
22 January 2009	3.308	212,500	–	(75,000)	–	137,500
15 October 2012	5.530	500,000	–	–	–	500,000
		<u>712,500</u>	<u>–</u>	<u>(75,000)</u>	<u>–</u>	<u>637,500</u>

Details of the share options granted during 2008 and 2014 please refer to annual report for the year ended 31 December 2014.

Note (A): In the current interim period, 250,000 share options were granted on 8 January 2015. The aggregate fair values of the options determined at the date of grant using the Black-Scholes option pricing model was approximately HK\$705,715.

(1) The exercise period is from 8 January 2016 to 7 January 2025.

(2) For the share options granted on 8 January 2015, the options will be vested in 5 tranches, i.e. the first 20% on 7 January 2016, the second 20% on 7 January 2017, the third 20% on 7 January 2018, the fourth 20% on 7 January 2019 and the balance on 7 January 2020.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

21. Share Option Schemes (Continued)

(a) Share Option Scheme (Continued)

Note (A): (Continued)

The following assumptions were used to calculate the fair values of share options:

8 January 2015	
Grant date share price	HK\$5.86
Exercise price	HK\$5.90
Expected volatility	50.32%-50.39%
Expected life (years)	7.75-8.75 years
Risk free interest rates	1.560%-1.615%
Expected dividend yield	1.265%

The closing price of the Company's shares on the date immediately before the date of grant was HK\$5.99. The risk-free interest rates were based on the yield of Hong Kong Exchange Fund Note. Expected volatility was determined by using the historical volatility of the Group's share price over the previous years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. Changes in variables and assumptions may result in changes in fair values of the share options.

Note (B): In the current interim period, 100,000 share options were granted on 2 April 2015. The aggregate fair values of the options determined at the date of grant using the Binomial option pricing model was approximately HK\$199,000.

- (1) The exercise period is from 2 April 2016 to 1 April 2025.
- (2) For the share options granted on 2 April 2015, the options will be vested in 5 tranches, i.e. the first 20% on 1 April 2016, the second 20% on 1 April 2017, the third 20% on 1 April 2018, the fourth 20% on 1 April 2019 and the balance on 1 April 2020.

The following assumptions were used to calculate the fair values of share options:

2 April 2015	
Grant date share price	HK\$4.70
Exercise price	HK\$4.70
Expected volatility	50.10%
Expected life (years)	10 years
Risk free interest rates	1.39%
Expected dividend yield	3.68%
Exercise Multiple	2.2

The closing price of the Company's shares on the date immediately before the date of grant was HK\$4.70. The risk-free interest rates were based on the yield of Hong Kong Exchange Fund Note. Expected volatility was determined by using the historical volatility of the Group's share price over the previous years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. Changes in variables and assumptions may result in changes in fair values of the share options.

Note (C): In the current interim period, 2,200,000 share options were granted on 17 April 2015. The aggregate fair values of the options determined at the date of grant using the Binomial option pricing model was approximately HK\$4,473,000.

- (1) The exercise period is from 17 April 2016 to 16 April 2025.
- (2) For the share options granted on 17 April 2015, the options will be vested in 8 tranches, i.e. the first 12.5% on 16 April 2016, the second 12.5% on 16 April 2017, the third 12.5% on 16 April 2018, the fourth 12.5% on 16 April 2019, the fifth 12.5% on 16 April 2020, the sixth 12.5% on 16 April 2021, the seventh 12.5% on 16 April 2022 and the balance on 16 April 2023.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

21. Share Option Schemes (Continued)

(a) Share Option Scheme (Continued)

Note (C): (Continued)

The following assumptions were used to calculate the fair values of share options:

	17 April 2015
Grant date share price	HK\$4.92
Exercise price	HK\$5.06
Expected volatility	50.09%
Expected life (years)	10 years
Risk free interest rates	1.37%
Expected dividend yield	3.52%
Exercise Multiple	2.2

The closing price of the Company's shares on the date immediately before the date of grant was HK\$4.95. The risk-free interest rates were based on the yield of Hong Kong Exchange Fund Note. Expected volatility was determined by using the historical volatility of the Group's share price over the previous years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. Changes in variables and assumptions may result in changes in fair values of the share options.

In respect of the share options exercised during the six months ended 30 June 2015, the weighted average share price and exercise price at the dates of exercise are HK\$4.6050 and HK\$3.7260 per share, respectively (six months ended 30 June 2014: HK\$8.393 and HK\$5.346 per share).

During the six months ended 30 June 2015, 12,500 share options were exercised and 333,000 share options were forfeited due to the departure of employees.

During the six months ended 30 June 2014, 1,172,500 share options were exercised and 1,511,500 share options were forfeited due to the departure of employees.

The Group recognised an expense of approximately HK\$4,080,000 for the six months ended 30 June 2015 (six months ended 30 June 2014: HK\$10,804,000) in relation to share options granted by the Company under the Share Option Scheme.

(b) Pre-IPO Share Option Scheme

The following table disclosed movements of the Company's share options under the Pre-IPO Share Option Scheme during the six months ended 30 June 2015 and 30 June 2014:

Grantees	Outstanding at 1 January 2015	Exercised during the period	Forfeited during the period	Cancelled during the period	Outstanding at 30 June 2015
Employees and others	388,500	–	–	–	388,500
Grantees	Outstanding at 1 January 2014	Exercised during the period	Forfeited during the period	Cancelled during the period	Outstanding at 30 June 2014
Employees and others	408,500	(20,000)	–	–	388,500

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

21. Share Option Schemes (Continued)

(b) Pre-IPO Share Option Scheme (Continued)

During the six months ended 30 June 2015, no share options (six months ended 30 June 2014: 20,000) previously granted by the Company were exercised.

In respect of the share options exercised during the six months ended 30 June 2014, the weighted average share price and exercise price at the dates of exercise was HK\$8.824 and HK\$4.6495 respectively per share.

Except for the share options exercised during the six months ended 30 June 2015 and 30 June 2014, no share options were granted, forfeited or cancelled under the Pre-IPO Share Option Scheme during the period.

22. Capital Commitments

	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of the acquisition of – property, plant and equipment	21,525	27,760

23. Pledge of Assets

	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
Investment properties	291,400	291,400
Property, plant and equipment	20,801	21,235
Prepaid lease payments	19,343	19,640
	331,544	332,275

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

24. Fair Value Measurement of Financial Instruments

The directors of the Company consider the fair values of the financial assets and liabilities stated with amortised cost in the condensed consolidated financial statements approximated to their carrying amounts.

25. Related Party Transactions

- (a) During the period, except as disclosed elsewhere in the condensed consolidated financial statements, the Group has the following significant transactions with related parties:

Relationship with related parties	Nature of transactions	Six months ended 30 June	
		2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Shigemitsu Industry Co., Ltd., a company in which Mr. Katsuaki Shigemitsu has significant beneficial interests	Sales of noodles and related products	217	554
	Purchase of raw materials	20,763	26,569
	Franchise commissions paid	16,746	16,168
Companies in which Mr. Poon Ka Man, Jason, a director of the Company, has significant beneficial interests	Decoration expenses paid	1,156	350
Ms. Poon	Property rentals paid	1,275	1,324
Japan Foods Holdings Ltd., non-controlling shareholder of a subsidiary of Ajisen (China) Holdings Limited	Franchise commissions paid	1,032	1,064

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

25. Related Party Transactions (Continued)

- (b) The remuneration of directors and other members of key management personnel during the period was as follows:

	Six months ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Short-term employee benefits	4,003	3,460
Other long-term benefits	75	70
Share-based payments	460	1,921
	4,538	5,451

The remuneration of directors and key executives is determined by the remuneration committee of the Company having regard to the performance of individual and market trends.

26. Events After The Reporting Period

- (i) Pursuant to a written resolution of the Company on 2 July 2015, the Company granted 2,890,000 share options at an exercise price of HK\$4.104 each to subscribe for one ordinary share of HK\$0.10 each of the Company to certain employees of the Company. The directors of the Company are in the process to estimate the impact of the grant to the financial position of the Group. Up to the date of this report, these newly granted share options remained outstanding.
- (ii) Pursuant to a limited partnership agreement in relation to the admission and management of Hina Group Fund III Limited Partnership (the "Partnership") entered into on 30 July 2015 among Ajisen Investments Limited ("Ajisen Investments", an indirect wholly-owned subsidiary of the Company), as the limited partners, and The Hina Group Holdings and Hanking Group Co., Ltd., as the general partners, the total capital commitment of the Partnership is expected to be US\$70 million, and Ajisen Investments would invest an amount of US\$60 million in the Partnership as a limited partner. As at the report date, 20% of the capital commitment, being US\$12 million has been paid by Ajisen Investments. The purpose of the Partnership is to participate in the investment of the takeout business of Baidu, Inc. known as "Baidu Takeout Delivery" (百度外賣) in the PRC ("Project BW"). It is intended that the Partnership would invest about US\$70 million into Project BW, and take up less than 10% interest of Project BW. As at the report date, the directors of the Company are still in the process of assessing the financial effect of this transaction. Please refer to the announcement published by the Company on 30 July 2015 for the details.

OTHER INFORMATION

Compliance with the Corporate Governance Code

The Company has complied with all applicable code provisions under the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules for the six months ended 30 June 2015, save and except for the deviation from the code provision A.2.1, namely, the roles of the Chairman and chief executive officer (“CEO”) have not been separated. Although Ms. Poon Wai performs both the roles of Chairman and CEO, the division of responsibilities between the Chairman and CEO are clearly established and set out in writing. In general, the Chairman is responsible for supervising the functions and performance of the Board, while the CEO is responsible for the management of the business of the Group. The two roles are performed by Ms. Poon distinctly. The Board believes that at the current stage of development of the Group, vesting the roles of both Chairman and CEO in the same person provides the Company with strong and consistent leadership, and allows for effective and efficient planning and implementation of business decisions and strategies. The relevant deviation is therefore considered reasonable at the current stage. It also considers that the current structure does not impair the balance of power and authority between the Board and the management of the Company given the appropriate delegation of the power of the Board and the effective functions of the independent non-executive Directors (number of which exceeds one-third of the members of the Board). However, it is the long-term objective of the Company to have these two roles performed by separate individuals when suitable candidates are identified.

Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard (the “Required Standard”) of the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules.

The Company has made specific enquiry to all Directors, and all Directors have confirmed that, throughout the six months ended 30 June 2015, they were in compliance with the Required Standard.

Audit Committee Review

The audit committee of the Company (“Audit Committee”), which comprises three independent non-executive Directors, namely Mr. Jen Shek Voon, Mr. Lo Peter and Mr. Wang Jincheng and one non-executive Director, Mr. Wong Hin Sun, Eugene, reviewed the accounting principles and practices adopted by the Company and discussed auditing, internal controls and financial reporting matters. The Company’s unaudited interim results for the six months ended 30 June 2015 have been reviewed by the Audit Committee and Deloitte Touche Tohmatsu, the auditors of the Company.

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

Neither Ajisen nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of Ajisen for the six months ended 30 June 2015.

OTHER INFORMATION

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As at 30 June 2015, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO")) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, are set out below:

(i) Interests and short positions in the shares of the Company

Name of director	Capacity and nature of interest	Number of shares (Note 1)	Approximate % of shareholding
Ms. Poon Wai	founder of a discretionary trust (Note 2)	476,625,041 shares (L)	43.67%
	beneficial owner	30,262,347 shares (L)	2.77%
Mr. Poon Ka Man, Jason	beneficial owner	2,500,000 shares (L)	0.23%
Mr. Katsuaki Shigemitsu	beneficial owner	950,000 shares (L)	0.09%
	interest of controlled corporation (note 3)	31,425,380 shares (L)	2.88%
Mr. Wong Hin Sun, Eugene	interest of spouse (Note 4)	500,000 shares (L)	0.05%
	beneficial owner	100,000 shares (L)	0.01%
Mr. Wang Jin Cheng	beneficial owner	12,500 shares (L)	0.00%
Mr. Jen Shek Voon	beneficial owner	95,000 shares (L)	0.01%
Mr. Lo Peter	beneficial owner	75,000 shares (L)	0.01%

Notes:

- The letter "L" denotes the Director's long position in such securities.
- The 476,625,041 shares are held by Favor Choice Group Limited ("Favor Choice"), which is an investment holding company wholly owned by Anmi Holding Company Limited ("Anmi Holding"). Anmi Holding is incorporated in the British Virgin Islands and its issued share capital is wholly owned by Anmi Trust, which is founded by Ms. Poon Wai. Ms. Poon Wai is an executive Director and the CEO of the Company.
- The 10,604,251 shares held by Shigemitsu Industry Co. Ltd., and the 20,821,129 shares held by Wealth Corner Limited are respectively owned as to approximately 69.89% and 100% by Mr. Katsuaki Shigemitsu, a non-executive Director of the Company.
- The 500,000 shares are held by Mr. Wong Hin Sun, Eugene's wife, Ms. Chin May Yee Emily.

OTHER INFORMATION

(ii) Interests and short positions in underlying shares of equity derivatives of the Company

Name of director	Capacity and nature of interest	Description of equity derivatives	Number of underlying shares <i>(Note 1)</i>
Mr. Jen Shek Voon	beneficial owner	share option <i>(Note 2)</i>	200,000 (L)
Mr. Lo, Peter	beneficial owner	share option <i>(Note 2)</i>	100,000 (L)
Mr. Wang Jin Cheng	beneficial owner	share option <i>(Note 2)</i>	137,500 (L)
Mr. Wong Hin Sun, Eugene	beneficial owner	share option <i>(Note 2)</i>	100,000 (L)
Mr. Katsuaki Shigemitsu	beneficial owner	share option <i>(Note 2)</i>	100,000 (L)

Notes:

1. The letter "L" denotes the Director's long position in such securities.
2. The share options were granted under the share option scheme of the Company.

(iii) Interests and short positions in the shares of the associated corporations

(1) Long position in the shares of Anmi Holding

Name of director	Capacity and nature of interest	Number of shares	Approximate % of shareholding
Ms. Poon Wai	founder of a discretionary trust <i>(Note)</i>	1 <i>(Note)</i>	100% <i>(Note)</i>

Note: The entire issued share capital of Anmi Holding is owned by Anmi Trust, which is founded by Ms. Poon Wai.

(2) Long position in the shares of Favor Choice

Name of director	Capacity and nature of interest	Number of shares	Approximate % of shareholding
Ms. Poon Wai	founder of a discretionary trust <i>(Note)</i>	10,000 <i>(Note)</i>	100% <i>(Note)</i>

Note: The entire issued share capital of Favor Choice is owned by Anmi Holding, which is wholly owned by Anmi Trust. Anmi Trust is founded by Ms. Poon Wai.

OTHER INFORMATION

Save as disclosed herein, as at 30 June 2015, none of the Directors and chief executive of the Company, or any of their spouses, or children under eighteen years of age, has any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations, recorded in the register required to be kept under section 352 of the SFO or required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Interests and Short Positions of Substantial Shareholders Discloseable under the SFO

So far as is known to the Company, as at 30 June 2015, as recorded in the register required to be kept by the Company under section 336 of the SFO, the following persons, other than a Director or the chief executive of the Company, were the substantial shareholders (within the meaning of the Listing Rules) of the Company and had the following interests or short position in the shares or underlying shares of the Company:

Name of shareholder	Capacity and nature of interest	Number of shares	Approximate % of shareholding
Favor Choice (Note 2)	beneficial owner	476,625,041(L)	43.67%
Anmi Holding (Notes 2 and 3)	interest of controlled corporation	476,625,041(L)	43.67%
HSBC International Trustee Limited (Note 3)	trustee	500,523,720(L)	45.85%
Invesco Hong Kong Limited	investment manager	109,209,000(L)	10.01%
Invesco Greater China Equity Fund	beneficial owner	54,854,000(L)	5.03%

Notes:

- The letters "L" and "P" denote the substantial shareholder's long position and lending pool in such shares respectively.
- The 476,625,041 shares were held by Favor Choice, which is an investment holding company wholly owned by Anmi Holding. Anmi Holding is incorporated in the British Virgin Islands and its issued share capital is wholly owned by Anmi Trust, which is founded by Ms. Poon Wai. Ms. Poon Wai is an executive Director and the CEO of the Company.
- Among the 500,523,720 shares, HSBC International Trustee Limited (in its capacity as the trustee of Anmi Trust) is the legal owner of the entire issued share capital of Anmi Holding and Royal Century Investment Limited. Anmi Holding wholly owned Favor Choice which held 476,625,041 shares and Royal Century Investment Limited wholly owned Brilinda Hilltop Inc. which held 23,898,679 shares.

Save as disclosed herein, as at 30 June 2015, the Company has not been notified of any substantial shareholder (other than a Director or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company that were recorded in the register required to be kept under section 336 of the SFO.

OTHER INFORMATION

Share Option Scheme

The Company has conditionally adopted the Share Option Scheme on 8 March 2007 for a period of ten years. The purpose of the Share Option Scheme is to enable the Company to grant option to the eligible participants in recognition of their contribution made or to be made to the Group. Under the Share Option Scheme, the Board may offer to grant an option to any director or employee, or any advisor, consultant, individual or entity who, in the opinion of the Board, has contributed or will contribute to the growth and development of the Group. The amount payable by a participant upon acceptance of a grant of options is HK\$1.00.

The total number of shares issued and which may fall to be issued upon exercise of the options granted pursuant to the Share Option Scheme to an eligible participant in any twelve-month period shall not exceed 1% of the number of shares in issue unless approved by shareholders in general meeting. The maximum number of shares in respect of which options may be granted under the Share Option Scheme shall not in aggregate exceed 10% of the shares in issue as at the date of approval of the Share Option Scheme i.e. a total of 100,000,000 shares.

The subscription price in respect of option granted under the Share Option Scheme will be determined by the Board provided that it shall not be less than the higher of: (i) the closing price of the shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant, and (ii) the average closing price of the shares as stated in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the date of grant, and (iii) the nominal value of the shares.

As at 30 June 2015, the number of shares in respect of which options under the Share Option Scheme had been granted and remained outstanding was 19,256,000 Shares (31 December 2014: 17,051,500 Shares), representing approximately 1.76% of the Shares of the Company in issue as at 30 June 2015.

Total number of shares available for issue under the Share Option Scheme was 80,744,000 shares (18 March 2015 (date of 2014 annual report): 82,452,000 Shares), representing approximately 7.40% (18 March 2015 (date of 2014 annual report): 7.55%) of the shares of the Company in issue as at 30 June 2015.

Details of the share options granted and movement during the period ended 30 June 2015 under the Share Option Scheme contained in note 21 to the condensed consolidated financial statements.

OTHER INFORMATION

Pre-IPO Share Option Scheme

The Company conditionally adopted the Pre-IPO Share Option Scheme on 8 March 2007. The purpose and the principal terms of the Pre-IPO Share Option Scheme are similar to those of Share Option Scheme, save as:

- (i) the exercise price per share is 85% of the final offer price per share upon listing of the Company;
- (ii) no option granted under the Pre-IPO Share Option Scheme will be exercisable within twelve months from the listing date; and
- (iii) no further option will be offered or granted under the Pre-IPO Share Option Scheme after the listing of the Company.

Set out below are details of the outstanding options granted under the Pre-IPO Share Option Scheme as at 30 June 2015:

Grantee	Number of options granted on 8 March 2007 (Notes 1 and 3)	Outstanding as at 1 January 2015	Number of options			Outstanding as at 30 June 2015
			Exercise during the period ended 30 June 2015	Cancelled during the period ended 30 June 2015	Lapsed during the period ended 30 June 2015	
(1) Directors						
Ms. Poon Wai (Note 2)	8,485,000	–	–	–	–	–
Mr. Poon Ka Man, Jason (Note 2)	2,500,000	–	–	–	–	–
Mr. Yin Yibing (Note 2)	2,500,000	–	–	–	–	–
(2) Employees and others	6,515,000	388,500	–	–	–	388,500
	20,000,000	388,500	–	–	–	388,500

Notes:

- (1) All options under the Pre-IPO Share Option Scheme granted on 8 March 2007 can be exercised at a price of HK\$4.6495 per share.
- (2) Ms. Poon Wai and Mr. Poon Ka Man Jason, both are executive Directors of the Company, and Mr. Yin Yibing, a former Director of the Company who resigned on 18 July 2013, have formed Center Goal to hold the options. Center Goal is owned as to approximately 62.92% by Ms. Poon Wai, as to approximately 18.54% by Mr. Poon Ka Man, Jason and as to approximately 18.54% by Mr. Yin Yibing.
- (3) All holders of options granted under the Pre-IPO Share Option Scheme may only exercise their options in the following manner:

Maximum percentage of options exercisable	Period for vesting of the relevant percentage of the option
25% of the total number of options to any grantee	From the expiry of the first anniversary of the listing date to the date immediately before the second anniversary of the listing date
25% of the total number of options to any grantee	From the second anniversary of the listing date to the date immediately before the third anniversary of the listing date
25% of the total number of options to any grantee	From the third anniversary of the listing date to the date immediately before the fourth anniversary of the listing date
25% of the total number of options to any grantee	From the fourth anniversary of the listing date to the date immediately before the fifth anniversary of the listing date

- (4) The total number of shares issued and which may fall to be issued upon exercise of the options granted pursuant to the Pre-IPO Share Option Scheme to an eligible participant in any 12-month period shall not exceed 1% of the number of shares in issue unless approved by shareholders in general meeting.

OTHER INFORMATION

Directors' Rights to Acquire Shares or Debentures

Save as disclosed under the sections headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations", "Share Option Scheme" and "Pre-IPO Share Option Scheme", during the six months ended 30 June 2015, no arrangements has been entered by the Company or any of its subsidiaries or fellow subsidiaries to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of eighteen, was granted any right to subscribe for the equity or debt securities of the Company or any other body corporate nor had exercised any such right.

Employee's Remuneration and Policy

As at 30 June 2015, the Group employed 12,773 persons (30 June 2014: 14,585 persons), most of the Group's employees work in the chain restaurants of the Group in the PRC. The number of employees will vary from time to time as necessary and the remuneration will be determined by reference to the practice of the industry.

The Group conducted regular reviews on its remuneration policy and overall remuneration payment. Besides retirement scheme and internal training courses, employees may be granted discretionary bonuses and/or share options based on their performances.

The total remuneration payment of the Group for the six months ended 30 June 2015 was approximately HK\$390,250,000 (30 June 2014: HK\$399,087,000).

Dividend

An interim dividend of HK4.70 cents per ordinary share (for six months ended 30 June 2014: HK4.70 cents) for the six months ended 30 June 2015 have been declared by the Board to shareholders and such interim dividend will be paid on 27 November 2015 to shareholders whose names appear on the register of members of the Company on 18 September 2015.

Closure of the Register of Members

The register of members of the Company will be closed from 16 September 2015 to 18 September 2015 (both days inclusive), during which period no share transfers will be registered.

In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 15 September 2015.

By order of the Board

Ajisen (China) Holdings Limited

Poon Wai

Chairman

Hong Kong, 26 August 2015



J A P A N C H I N A
U S A S O U T H K O R E A
A U S T R A L I A V I E T N A M
S I N G A P O R E I N D O N E S I A
T H A I L A N D M A L A Y S I A
P H I L I P P I N E C A N A D A

“味千拉面”不是用面来做人的生意，
而是追求用人来做面的生意。