

Chairman's Statement

Dear Shareholders,

I am pleased to present the first annual results of Ajisen (China) Holdings Limited after our listing on the Main Board of The Stock Exchange of Hong Kong Limited ("SEHK") on 30 March 2007.

The year of 2006 was significant to the Group in terms of growth and corporate development. During the year, the Group was devoted to the preparation for the listing and fulfilled the stringent requirements of the international equity market and successfully enhanced its corporate governance through the listing exercise. With the dedication of all our staff, the Group was successfully listed on the Stock Exchange on 30 March 2007.

During the year under review, the Group achieved remarkable growth. Turnover increased by 37.10% to reach RMB598 million, while gross profit and net profit grew by 45.26% and 106.29% to RMB379 million and RMB115 million respectively. Basic earnings per share was approximately RMB15.98 cents.

During the year, we continued to strengthen our brand recognition among customers for the premium quality, healthy, authentic and delicious products we offer. For the third consecutive year, we were ranked as China's Top 10 Fast Food Brand Enterprises by the China Cuisine Association and obtained numerous awards and recognitions from various organizations as a provider of "healthy and nutritious" food.

Following our listing, and with the excellent results we achieved in 2006, we are well positioned to carry out our expansion strategy and leverage on the "Ajisen" brand to continue offering delicious high-quality fast food to an increasing number of customers across the PRC and Hong Kong.

Building on a strong foundation

The Group's initial public offering, which raised over HK\$1.5 billion, was a major milestone in our corporate development. Not only did the IPO reinforce our brand name and solidify our position in the FCR industry, it also helped us build a reputation in the international capital market as a well-managed and responsible corporation with a clear strategy for continued future growth.

During the year under review, Ajisen (China) continued to implement its expansion plans by adding 64 restaurants across the PRC and Hong Kong. The total number of Ajisen outlets now stands at 140, complemented by two production facilities and three logistics centers. This demonstrates remarkable progress in our development since the inception of our first restaurant in Hong Kong in 1996 and first outlet in the PRC three years later.

The dynamic growth we have achieved is the result of our dedicated team's relentless efforts and our Company's commitment to five core values:

1. Strong brand equity via brand building
2. Comprehensive site selection, focusing on prime residential areas and central business districts
3. An innovative business model incorporating the advantages of both traditional Chinese full-service restaurants and western fast food
4. Menus that match Asian food preferences
5. Pleasant dining atmosphere in our restaurants

By following these core values, we have established leadership in the F&B industry, in particular the FCR sector — a hybrid of traditional full-service restaurants and fast food chains.

For the past 10 years, we have been offering authentic Japanese dishes combined with western fast food as part of our unique business model: retail chain restaurants + sale of packaged noodles + manufacturing of noodles. This has enabled us to control product quality, promote a consistent brand image and standardize our operations across our extensive restaurant network. Moreover, with an established set of restaurant management systems, all of our operations and business model are easily replicated in the different regions of the PRC where we are rapidly expanding into.

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As a result, we have successfully established ourselves as a provider of modern, high-quality, healthy and authentic Japanese food that appeals to our increasingly affluent target consumers.

Looking ahead

Our successful listing has provided the financial resources to implement our plans to capture the opportunities in the rapidly-growing FCR market. Our strategy is to leverage on our competitive strengths so that we can continue expanding our network. From the 144 restaurants we currently operate, we plan to have a minimum of 200 restaurants by the end of 2007 and a minimum of 320 restaurants by the end of 2008. This will be achieved through a combination of organic growth, sub-franchising and, where feasible, mergers and acquisitions.

We also plan to diversify our product offerings and distribution channels to appeal to more customers and develop other brands or product lines in order to widen our customer base.

Looking ahead, we are confident that we will be able to achieve these objectives and to consolidate our position as the leading operator of FCR in the PRC.

Finally, I would like to take this opportunity to thank our staff, business partners, investors and my fellow members (the "Directors") of the Board of Directors (the "Board") for their continuous support and especially to our customers whose loyalty has made our success possible. The Group will continue to develop new products, and provide our customers with excellent service and grow our business in order to increase shareholders' value and provide excellent returns to our investors.

Poon Wai

Chairman and Chief Executive Officer

The PRC, 25 April 2007

