AJISEN RAMEN

味千拉麵

味千(中國)控股有限公司

AJISEN (CHINA) HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 538

Interim Report 2009

CONTENTS

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 of the date of this report, the Group's nationwide retail network comprises 361 restaurants. 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 2009, Ajisen restaurants have entered 61 cities and 19 provinces of the PRC with total 350 restaurants. Among the major cities, the international metropolis Shanghai boasts the largest number of Ajisen restaurants, being 79, followed by 34 in Shenzhen and 30 in Beijing, together with the remaining 207 restaurants spanning across other major cities from the southern to the northern region of the PRC. In Hong Kong, Ajisen operates 36 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 and Shenzhen manufacturing centres, as well as 12 food manufacturing and processing centres in other major cities.

Corporate Information

Board of Directors

Executive Directors

Ms. Poon Wai
(Chairman and Chief Executive Officer)
Mr. Yin Yibing
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. Wong Hin Sun, Eugene *(Chairman)*
Mr. Lo Peter
Mr. Wang Jincheng

Authorised Representatives

Ms. Poon Wai
Mr. Lau Ka Ho, Robert

Qualified Accountant

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

Company Secretary

Mr. Ngai Wai Fung *(FCS, FCIS, CPA, ACCA)*

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 (continued)

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
Bank of Shanghai Co., Ltd

Auditors

Deloitte Touche Tohmatsu

Hong Kong Legal Advisers

Fairbairn Catley Low & Kong
Winnie Mak, Chan & Yeung

Investor Relations ("IR") Contact

Ms. Huang Nian, Nancy (Secretary to the Board of Directors and IR Manager)
Ajisen (China) Holdings Limited
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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)	2009	2008	% +/–
Turnover (HK$' million)	**937.0**	753.9	+24.3
Gross profit (HK$' million)	**645.1**	513.5	+25.6
Profit before taxation (HK$' million)	**180.5**	160.0	+12.8
Profit attributable to owners of the Company (HK$' million)	**133.1**	118.7	+12.1
Earnings per share – basic (HK cents)	**12.46**	11.12	+12.1

Management Discussion and Analysis

Industry Review

During January to June of 2009, being affected by the unprecedented global financial crisis, the hard-hit global economy entered into its critical moment. Although the economy has not yet recovered, factors causing further decline are gradually receding. As the stimulus policy exhibited its effects in major developed countries, investors' sentiment in the international financial markets has become more stable, and the economic situation has been improving in most countries. In China, despite the slow down of year-on-year growth of the national economy, the trend of steady recovery was basically confirmed.

The PRC government proposed to expand domestic consumption as the driving force for boosting economic growth. Consumption becomes an important force for promoting economic growth after investment and exports. Growth in consumption becomes essential to the recovery of the economy. According to the data of the National Bureau of Statistics, the contribution from end-user consumption to the growth of domestic economy for the first half of the year was 53.4%, leading to a 3.8% growth in GDP. Of which, the total retail sales of housing together with food and beverages ("F&B") amounted to RMB851.4 billion, recorded a year-on-year increase of 18.1%, which became an important force for promoting consumption and expanding domestic demand. However, the growth rate slowed down by 5.6% as compared with the corresponding period last year. In the meantime, the consumer price index ("CPI") in China fell by 1.1% during the first half of 2009 as compared with the corresponding period of last year, and recorded negative growth for five consecutive months. This reflected the fact that aggregate domestic market demand and spending power were still weak.

The continuous fall in CPI demonstrates that the consumption power of the consumers is shrinking. As a result, the total retail sales for the F&B industry decreased. According to an industry research, the pace of expansion for F&B chain enterprises slowed down during the first half of 2009. Despite that fast causal restaurants ("FCR") cater for the daily F&B needs of consumers and subject to a relatively smaller impact from the financial crisis compared with high-end consumer goods or bulk commodities, the Group still faced challenges under the slow-moving economic environment. Nevertheless, the Group remained prudently optimistic about the economic outlook for the year as a whole. The Group believes that the fundamentals for the development of F&B industry remain sound, and there is huge potential for growth. In particular, as a high-end FCR chain operator, the Group is poised to benefit from the growth in domestic consumption when the economy recovered. In addition, the PRC government's policies to boost domestic consumption, promote spending and accelerate the strategic development of service sector will also bring in unprecedented opportunities to the F&B industry, especially chain restaurant operators. This will help FCR to continue to enjoy accelerated growth.

While both threats and opportunities coexisted during the first half of 2009, the Group realigned its network expansion strategies to emphasize quality and to ensure the profitability of the newly opened restaurants while maintaining rapid expansion. A series of measures were implemented to maximise profitability by controlling costs effectively and mitigating the unfavourable impact on sales arising from a recessive market. By leveraging on strong brand equity, sustainable network expansion, industrialised business model and uncompromising product quality, the Group maintained steady growth under adverse environment. Moreover, excelling over stiff competition recently, the Group has been selected as one of the F&B suppliers for the 2010 Shanghai World Expo. Two Ajisen restaurants will be opened at the landmark buildings of the Expo Park to showcase the distinctive Ajisen concept to the world. Upon the recovery of the economy, the Group will grasp the opportunities to accelerate its business development, and to reward its investors with even more solid results.

Business Review

During the first half of 2009, although market demand was weakened due to tightened consumer spending as a result of the adverse economic environment, the Group was still able to achieve significant growth. Double-digit growth was recorded both for turnover and profit compared with the same period last year. As at 30 June 2009, turnover increased by approximately 24.3% to approximately HK$936,951,000 from approximately HK$753,885,000 in the corresponding period of 2008. Gross profit grew by approximately 25.6% year-on-year to approximately HK$645,136,000. Net profit grew by approximately 12.4% year-on-year to approximately HK$138,706,000. Profit attributable to owners of the Company increased by approximately 12.1% to approximately HK$133,081,000. Basic earnings per share increased from HK11.12 cents to HK12.46 cents as compared with the same period last year. It is worth noting that during the reporting period, profit from core operations of the Group (defined as profit before taxation excluding other income, other gains and losses and finance costs) amounted to approximately HK$157,793,000, representing an increase of approximately 26.3% compared with the same period last year. Such growth rate was higher than the growth rate in turnover of 24.3%. This demonstrates that despite the sluggish market environment, the core operations of the Group were still conducted in a normal manner and had achieved good results.

During the reporting period, the rapid growth in the Group's business was mainly derived from the further expansion of its FCR network. As at 30 June 2009, the Group had a total of 350 chain restaurants, an increase of about 37.3% from 255 chain restaurants as compared with the same period last year. At present, the Group's restaurant network covers about 61 cities in 19 provinces in China. In view of the sluggish macro-economic environment, during the reporting period, the Group devoted more efforts to ensure the quality of new restaurants while maintaining steady growth. Also, during the reporting period, the newly opened restaurants were mainly standard in scale, which brought higher table turnover and higher sales per square metre to the Group. Furthermore, to achieve economies of scale, the Group has been focusing on adding more restaurants to the existing markets, namely the provinces and cities in which the Group already has restaurants in operations in order that this would in turn enhance operational efficiency and ensure profitability.

In order to support the rapid expansion of the Group's FCR network, the Group has been actively engaged in the construction of four new production bases in the PRC, namely in Shanghai, Tianjin, Dongguan and Chengdu. The Group has adjusted the pace for the construction of its production bases by adopting the method of completing the construction in different phases so as to be in line with the pace of FCR network expansion. Phase 1 of the Dongguan production base commenced operation in the fourth quarter of 2008. The production base in Shanghai is expected to start operation in the fourth quarter of 2010. The production bases in Chengdu and Tianjin will be postponed and are expected to commence operation in the second half of 2010 and 2011 respectively.

During the reporting period, the Group established a new food manufacturing and processing centre in Xian, which increased the total number of the centres to 12. The Group is also in the process of upgrading the production capabilities of its existing food manufacturing and processing centres, to provide sufficient and steady support for its growing FCR network. The food manufacturing and processing centres in Wuhan and Chengdu have completed their relocation and upgrade respectively during the reporting period. They are now well-equipped to support more restaurants at its peripheral area.

Management Discussion and Analysis (continued)

In the meantime, to fully explore the market potential and to maintain steady growth of sales under sluggish business environment, during the reporting period, the Group continually introduced various marketing campaigns throughout China, and has attracted a great number of new and existing customers to dine at its restaurants. These enticing promotion activities included cross-selling campaigns with well-known companies in other industries. For instance, through joint promotion with major banks such as Bank of Communications and China Merchants Bank, client base has been extended for both the Group and the banks as a result of the gearing effect. The Group has also engaged in joint campaigns with famous brands which have large membership bases and similar clientele, such as Ctrip and Watson's. All of these efforts brought along substantial and additional customer flow, which significantly enhanced daily turnover. Customers dining at Ajisen restaurants enjoyed consumption experiences from the Japanese culture; while to the restaurants, both the transaction count ("TC") and the transaction average ("TA") increased.

During the reporting period, the Group adopted various revenue-raising and cost-cutting measures to enhance its operating efficiency and ensure its profitability. On the one hand, proactive efforts were devoted to expand its operation and promote its sales. On the other hand, stringent cost control measures were implemented in full force, of which, the control over major costs such as inventory consumed and labour costs witnessed preliminary results during the reporting period.

During the reporting period, the Group's cost of inventories consumed as a proportion to turnover was approximately 31.1%, indicating a reduction of 0.8 percentage point from that of the corresponding period last year. Accordingly, gross profit margin increased from 68.1% in the corresponding period of 2008 to 68.9% during the reporting period. This was mainly realized through strategic stocking of raw materials, research and development of substitutional ingredients, and improvement in manufacturing techniques. The lower market price of agricultural products during the first half of 2009 has also contributed to the higher gross profit margin. However, since the end of second quarter, some major food ingredients such as oil, lard and fatty beef have experienced relatively significant price hikes. By leveraging on accurate market forecasts, the Group has successfully locked up the purchasing prices in advance. The Group believes that negative influences overcast by price fluctuation would be minimised, and gross profit margin for the whole year could be maintained at the similar level of the interim results.

During the reporting period, the Group achieved effective control over labour costs. Labour costs as a proportion to turnover fell from approximately 17.9% in the corresponding period last year to approximately 17.5%, a decrease of approximately 0.4 percentage point. The control over labour costs was mainly derived at the corporate level. Through organization restructuring, standardization of salary grading system, optimization of headcount and salaries of office staff, the Group attained better rationalisation both on the allocation of staff and on the organisation structure at the headquarters after the listing. Labour costs were also under control. At the restaurant level, the Group enacted new standards for staff allocation based on the scale of the restaurant. Control over working time was implemented through optimized scheduling method. Efficiency was enhanced whilst costs were also saved.

During the reporting period, rental and related costs as a proportion to turnover of the Group was approximately 14.8%, which increased from 13.9% in the corresponding period of last year. Although the proportion increased, the Group has actually managed to obtain many favourable leasing conditions in the reporting period. The Group has taken the opportunities to extend the co-operation and negotiate with its strategic partners during the economic downturn. The main reason that no significant improvement in rental costs proportion can be seen is because many of the Ajisen restaurants are still in their developing stage.

Management Discussion and Analysis (continued)

During the reporting period, the Group continued to integrate and optimize the allocation of resources, which further enhanced efficiencies in operation and management. The Group's Enterprise Resource Planning ("ERP") system, which is under construction as scheduled, will provide an integrated information platform to improve internal management. During the reporting period, the ERP system for the Group's subsidiaries in Shanghai, Jiangsu Province and Zhejiang Province have completed their trial runs and officially commenced operation on 1 July 2009. The construction of the ERP systems for Beijing, Shandong Province and southern China are expected to be completed by 2010 and early 2011 respectively. Upon the completion of this system, it will enhance the efficiency in decision making across different departments, standardise work flows and enable timely internal control.

A team of energetic front line restaurant managers form the basis to bolster rapid expansion of the Group's restaurant network. In order to provide adequate backup to its restaurants, the Group actively engaged in various training and incentive schemes during the reporting period. In April 2009, the Group held the "National Annual Supervision Meeting" with an aim to enhance the capabilities of middle management in market operations. The Group also launched training programmes and published staff manuals customised for different levels of managers at the restaurants. The training system for the restaurant service staff was improved and optimized. The establishment of these training programmes and activities not only strengthened the skills of the staff, it also created a positive working environment and raised staff morale. This will ultimately enhance operating efficiency and customer satisfaction.

It is the primary mission of the Group to offer healthy food of premium quality. Food safety is always the most important responsibility of the Group. During the reporting period, the Group further enhanced the evaluation and management of its suppliers as well as the inspection of raw materials delivered. The passing rate for ingredients was further improved from the corresponding period last year. At the same time, pursuant to the requirements under the "Food Safety Law" recently promulgated by the PRC, the Group formulated the "Food Safety Administration Measures". Safety control measures were standardised in terms of factory design, storage and logistics, product manufacturing and staff hygiene. The Group also set up microbiology inspection laboratories in Shanghai, Beijing and Shenzhen. The safety of existing work flow was evaluated through the execution of professional tests, so as to analyse and minimise the potential risks. During the reporting period, the factories in Shanghai and Shenzhen obtained the international qualification of ISO9001 of Quality Management System and international verification of ISO22000 Food Safety Management System. The factory in Shenzhen also obtained the export hygiene registration certificate issued by the State Accreditation and Endorsement Supervisory Management Commission. The products manufactured by the factories in Shanghai and Shenzhen received Quality Safety ("QS") certificates in ten categories from the General Administration of Quality Supervision, Inspection and Quarantine of the PRC.

Retail Chain Restaurants

In 2009, the Group's major business and primary source of income continued to be the FCR business. During the reporting period, the Group's restaurant business contributed approximately HK$892,321,000 (corresponding period in 2008: HK$720,682,000), accounted for approximately 95.2% (corresponding period in 2008: 95.6%) of the Group's total revenue.

As at 30 June 2009, the Group had a restaurant portfolio of 350 Ajisen chain restaurants, comprising the following:

	30 June 2009	31 December 2008	+/–
By type:			
Owned and managed	**348**	313	35
Owned but not managed	**2**	2	0
Total	**350**	315	35
By provinces:			
Shanghai	**79**	72	7
Beijing	**30**	28	2
Tianjin	**2**	1	1
Guangdong (excluding Shenzhen)	**26**	23	3
Shenzhen	**34**	33	1
Jiangsu	**32**	27	5
Zhejiang	**14**	12	2
Sichuan	**16**	12	4
Chongqing	**7**	7	0
Fujian	**13**	11	2
Hunan	**3**	3	0
Hubei	**7**	7	0
Liaoning	**8**	7	1
Shandong	**20**	18	2
Guangxi	**3**	2	1
Guizhou	**4**	4	0
Jiangxi	**2**	2	0
Shaanxi	**5**	4	1
Yunnan	**3**	3	0
Henan	**1**	1	0
Hebei	**1**	1	0
Anhui	**1**	1	0
Hainan	**1**	1	0
Hong Kong	**36**	33	3
Taiwan*	**2**	2	0
Total	**350**	315	35
Total saleable area	**91,433 sq. metres**	82,227 sq. metres	9,206 sq. metres

Note:

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

Management Discussion and Analysis (continued)

	30 June 2009	31 December 2008	+/–
By geographical regions:			
Northern China	**61**	55	6
Eastern China	**125**	111	14
Southern China	**115**	105	10
Central China	**49**	44	5
Total	**350**	315	35
By scale:			
Flagship	**41**	38	3
Standard	**297**	265	32
Economic	**12**	12	0
Total	**350**	315	35

Sales of Packaged Noodle and Related Products

The manufacture and sales of packaged noodle products under the Ajisen brand is one of the Group's two main businesses and is complementing to the major business of restaurant network operation. Ajisen's packaged noodle products are manufactured solely by the Company and are sold through diversified channels, including restaurants, supermarkets as well as department stores, which in turn enhanced the awareness of Ajisen brand.

For the six months ended 30 June 2009, revenue from the sale of packaged noodle and related products was approximately HK$44,630,000 (corresponding period of 2008: HK$33,203,000), accounted for approximately 4.8% (corresponding period of 2008: 4.4%) of the Group's total revenue.

The Group has an extensive distribution network of over 6,000 points-of-sale for the packaged noodle and related products in China, of which more than 450 were new additions during the reporting period. Most of the newly opened outlets were shops of chain supermarkets in Jiangsu and Zhejiang, such as RT-Mart and Auchan. Apart from the existing major distributors including Wal-Mart, Carrefour, Wellcome, Lianhua Supermarket and Buddies, several famous regional retail supermarkets, such as Sanjiang in Ningbo and Xinpa in Chongqing were added during the reporting period. In addition, the Group has a number of distributors in more than 30 cities in China. During the reporting period, the Group continued to develop the distributors' network for its packaged noodle products at cities that it has not tapped into.

In March 2009, the Group launched a new flavour, Chili Ajisen Noodles (味千麻辣拉麵) at the outlets of its major distributors in the Shanghai region. This new product is not yet available in other cities.

Financial Review

Turnover

For the six months ended 30 June 2009, turnover of the Group increased by approximately HK$183,066,000, or approximately 24.3% to approximately HK$936,951,000 from approximately HK$753,885,000 in the corresponding period of 2008. Such an increase was mainly due to the expansion of the restaurant network. The number of FCR of the Group increased from 255 in the corresponding period of 2008 to 350 as at 30 June 2009.

Cost of inventories consumed

The Group's cost of inventories consumed for the six months ended 30 June 2009 increased by approximately HK$51,409,000, or approximately 21.4% to approximately HK$291,815,000 from approximately HK$240,406,000 in the corresponding period of 2008. However, this was lower than the growth rate of the turnover. During the reporting period, cost of inventories as a proportion to turnover was approximately 31.1%, lower than the 31.9% in the corresponding period of 2008. Such decrease was attributable to the low price of agricultural products and the effective control by the Group over the purchasing costs during the reporting period.

Gross profit and gross profit margin

Driven by the above factors, gross profit increased by approximately HK$131,657,000, or approximately 25.6% to approximately HK$645,136,000 for the six months ended 30 June 2009 as compared with the corresponding period of 2008. Gross profit margin of the Group further increased from approximately 68.1% in the corresponding period of 2008 to approximately 68.9%.

Property rentals and related expenses

Property rentals and related expenses of the Group increased by approximately 33.0% from approximately HK$104,447,000 in the corresponding period of 2008 to approximately HK$138,870,000 for the six months ended 30 June 2009. Its proportion to turnover also increased from 13.9% in the corresponding period of 2008 to 14.8%. This was mainly due to the fact that the growth in turnover was not strong enough to derive adequate dilutive effect to such costs.

Staff costs

Staff costs of the Group increased by approximately 21.1% from approximately HK$135,213,000 in the corresponding period of 2008 to approximately HK$163,730,000 for the six months ended 30 June 2009. The increase in such costs was mainly due to the increase in headcount resulting from the opening of new restaurants. Staff costs as a proportion to turnover decreased from approximately 17.9% in the corresponding period of 2008 by 0.4 percentage point to approximately 17.5%, which reflected the success of the Group's control over its staff costs.

Depreciation

Depreciation increased by approximately 47.3% from approximately HK$39,705,000 in the corresponding period of 2008 to approximately HK$58,476,000 for the six months ended 30 June 2009. Such an increase was attributable to the increase in the number of restaurants.

Other operating expenses

Other operating expenses of the Group increased by approximately 15.7% from approximately HK$109,174,000 in the corresponding period of 2008 to approximately HK$126,267,000 for the six months ended 30 June 2009. But such costs as a proportion to turnover fell from approximately 14.5% by 1.0 percentage point to approximately 13.5%. This also reflected the success of the Group's control over its expenses.

Other incomes

Other incomes of the Group decreased by approximately HK$4,692,000 or approximately 16.8% from approximately HK$27,866,000 in the corresponding period of 2008 to approximately HK$23,174,000 for the six months ended 30 June 2009, primarily due to the decrease in interest income from banks.

Other gains and losses

Other gains and losses decreased by approximately HK$6,777,000 from HK$7,209,000 during the six months ended 30 June 2008 to approximately HK$432,000 during the six months ended 30 June 2009, primarily due to no change in fair value of investment properties for the six months ended 30 June 2009.

Finance costs

Finance costs of the Group increased by approximately HK$869,000 from approximately HK$10,000 in the corresponding period of 2008 to approximately HK$879,000 for the six months ended 30 June 2009, primarily due to new loans of approximately HK$68,000,000 had been obtained in second half of 2008 to finance the acquisition of new property, plant and equipment and investment properties located in Hong Kong.

Profit before taxation

Profit before taxation increased by approximately 12.8%, or approximately HK$20,515,000 from approximately HK$160,005,000 in the corresponding period last year to approximately HK$180,520,000 for the six months ended 30 June 2009, as a result of the cumulative effect of the foregoing factors.

Profit attributable to owners of the Company

Profit attributable to owners of the Company increased by approximately 12.1% or approximately HK$14,395,000 from approximately HK$118,686,000 in the corresponding period of 2008 to approximately HK$133,081,000 for the six months ended 30 June 2009, as a result of the cumulative effect of the foregoing factors.

Assets and liabilities

The Group's net current assets was approximately HK$1,498,480,000 and current ratio was 4.7 as at 30 June 2009 (31 December 2008: 6.1). As the Group is primarily engaged in the restaurant business, most of the sales are settled by cash. As a result, the Group was able to maintain a relatively high current ratio to achieve better use of the working capital. The decrease in current ratio primarily due to a dividend payable of approximately HK$100,896,000 incurred as at 30 June 2009.

Cash flow

Net cash inflow from operating activities for the six months ended 30 June 2009 was approximately HK$224,114,000 while the profit before taxation for the same period was approximately HK$180,520,000. The difference was primarily due to the increase in trade and other payables. The increase in trade and other payables was due to the increased purchase of raw materials and other goods from suppliers as a result of the increase in the number of chain restaurants operated by the Group during the reporting period.

Capital expenditure

The Group's capital expenditure for the six months ended 30 June 2009 was approximately HK$101,808,000 (corresponding period of 2008: HK$156,671,000) which was due to the increase in purchase of property, plant and equipment for new restaurants.

Key operating ratios for restaurant operations

	Hong Kong			PRC		
	1-6/2009	1-12/2008 (approximate) (unaudited)	1-6/2008	1-6/2009	1-12/2008 (approximate) (unaudited)	1-6/2008
Comparable restaurants sales growth:	**-16.3%**	-5.1%	0.5%	**-2.8%**	6.9%	7.8%
Turnover per GFA (per day/sq.m.):	**HK$186**	HK$212	HK$218	**RMB50**	RMB52	RMB54
Turnover per day per restaurant:	**HK$21,207**	HK$25,267	HK$27,864	**RMB13,404**	RMB14,377	RMB18,453
Traffic flow per day (persons):	**372**	438	489	**372**	382	499
Per capita spending:	**HK$57**	HK$58.5	HK$57	**RMB36**	RMB38	RMB37
Table turnover per day (per day):	**6**	6.5	8	**4.8**	5.5	6

Outlook for the Second Half of 2009 and Beyond

Expansion of FCR network: During the second half of 2009, the Group will continue the expansion of chain restaurant network, and achieve the target of establishing approximately 90 new restaurants during the year as planned. By the end of 2009, the total number of restaurants of the Group would be increased to approximately 405. The Group will continue to add more restaurants to the existing markets, in order to achieve economies of scale. The Group aims to add approximately 110 new restaurants in 2010.

Focusing on Ramen business and expansion of market share: The Group will focus on the development of Ramen business, and look for new growth sources. Currently, Ajisen has positioned itself at the middle-end Ramen market. The Group would devote to expanding the brand and increasing the market share, so as to tap into the high-end and mass market. The Group is researching and developing a new brand of Japanese noodles for the high-end market. The first restaurant of the new brand is expected to open in the fourth quarter of 2009 at the International Finance Centre in Hong Kong.

Diversification of retail channels: The Group intends to explore products of Ajisen brand by utilizing the retail channel of over 6,000 points-of-sale in the existing retail network of packaged noodles while maintaining rapid expansion of FCR. The Group will launch and sell a series of Ajisen exclusive condiments in the supermarkets. By leveraging on strong brand equity and advanced production lines, the Group will push forward the tasty condiments with Ajisen features from restaurants to retail network via its extensive distribution channel.

Strengthening the brand promotion: The Group strives to strengthen the brand's competitiveness, so that more consumers will understand and support the Ajisen brand. The Group intends to devote more effort to promotion, by optimizing the brand position and enhance the awareness and reputation of the Ajisen brand, via a series of brand promotion campaigns launched by professional companies and mainstream media platforms.

Report on Review of Interim Financial Information

Deloitte.
德勤

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

Introduction

We have reviewed the interim financial information set out on pages 15 to 41, which comprises the condensed consolidated statement of financial position of Ajisen (China) Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") as of 30 June 2009 and the related condensed consolidated statement of 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 ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information 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 interim financial information 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 interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
14 September 2009

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2009

	Notes	Six months ended 30 June 2009 HK$'000 (Unaudited)	2008 HK$'000 (Unaudited and as restated)
Turnover	4	**936,951**	753,885
Other income	5	**23,174**	27,866
Other gains and losses	6	**432**	7,209
Cost of inventories consumed		**(291,815)**	(240,406)
Staff costs		**(163,730)**	(135,213)
Depreciation		**(58,476)**	(39,705)
Property rentals and related expenses		**(138,870)**	(104,447)
Other operating expenses		**(126,267)**	(109,174)
Finance costs	7	**(879)**	(10)
Profit before taxation	8	**180,520**	160,005
Taxation	9	**(41,814)**	(36,629)
Profit for the period		**138,706**	123,376
Other comprehensive income			
Exchange differences arising on translation		**664**	44,080
Fair value gain (loss) on available-for-sale investments		**50**	(18)
Reclassify to profit or loss on disposal of available-for-sale investments		**(86)**	–
Surplus on revaluation of properties		**–**	5,305
Income tax relating to components of other comprehensive income		**–**	(1,326)
Other comprehensive income for the period (net of tax)		**628**	48,041
Total comprehensive income for the period		**139,334**	171,417
Profit for the period attributable to:			
Owners of the Company		**133,081**	118,686
Minority interests		**5,625**	4,690
		138,706	123,376
Total comprehensive income attributable to:			
Owners of the Company		**133,545**	165,208
Minority interests		**5,789**	6,209
		139,334	171,417
		HK cents	HK cents
Earnings per share	11		
– Basic		**12.46**	11.12
– Diluted		**12.46**	11.01

Condensed Consolidated Statement Of Financial Position

As at 30 June 2009

	Notes	**As at 30 June 2009 HK$'000 (Unaudited)**	As at 31 December 2008 HK$'000 (Audited)
Non-current assets			
Investment properties	*12*	**104,196**	96,868
Property, plant and equipment	*12*	**548,847**	528,356
Prepaid lease payments		**38,629**	39,293
Deposits paid for acquisition of property, plant and equipment		**5,951**	4,324
Deposits paid for acquisition of land lease		**37,810**	24,809
Rental deposits		**49,328**	49,286
Goodwill		**37,135**	37,135
Deferred tax assets		**3,355**	3,685
Available-for-sale investments		**537**	2,109
		825,788	785,865
Current assets			
Inventories		**46,184**	51,973
Trade and other receivables	*13*	**81,850**	89,281
Amounts due from related parties	*14*	**26**	9,117
Taxation recoverable		**1,499**	3,130
Other financial assets	*15*	**–**	253,940
Bank balances and cash		**1,772,317**	1,382,752
		1,901,876	1,790,193

Condensed Consolidated Statement Of Financial Position (continued)

As at 30 June 2009

	Notes	As at 30 June 2009 HK$'000 (Unaudited)	As at 31 December 2008 HK$'000 (Audited)
Current liabilities			
Trade and other payables	16	**232,193**	225,534
Amounts due to related companies	17	**8,830**	13,595
Amounts due to directors	17	**3,646**	1,166
Amounts due to a shareholder	17	**13,356**	12,728
Dividend payable		**100,896**	1
Taxation payable		**40,657**	36,514
Secured bank loans – current		**3,818**	3,768
		403,396	293,306
Net current assets		**1,498,480**	1,496,887
Total assets less current liabilities		**2,324,268**	2,282,752
Non-current liabilities			
Deferred tax liabilities		**8,696**	7,294
Secured bank loans – non-current		**61,402**	63,324
		70,098	70,618
Net assets		**2,254,170**	2,212,134
Capital and reserves			
Share capital	18	**106,769**	106,769
Reserves		**2,110,793**	2,074,546
Equity attributable to owners of the Company		**2,217,562**	2,181,315
Minority interests		**36,608**	30,819
Total equity		**2,254,170**	2,212,134

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2009

	Share capital HK$'000	Share premium HK$'000	Special reserve HK$'000	Share options reserve HK$'000	Capital reserve HK$'000	Investment revaluation reserve HK$'000	Properties revaluation reserve HK$'000	Translation reserve HK$'000	Statutory surplus reserve fund HK$'000	Retained profits HK$'000	Attributable to owners of the Company HK$'000	Minority interests HK$'000	Total HK$'000
At 1 January 2008 (Audited)	104,500	1,639,179	85,798	2,537	1,159	82	–	24,434	12,249	310,637	2,180,575	22,918	2,203,493
Profit for the period	–	–	–	–	–	–	–	–	–	118,686	118,686	4,690	123,376
Exchange differences arising on translation	–	–	–	–	–	–	–	42,561	–	–	42,561	1,519	44,080
Surplus on revaluation of properties	–	–	–	–	–	–	5,305	–	–	–	5,305	–	5,305
Fair value loss on available-for-sale investments	–	–	–	–	–	(18)	–	–	–	–	(18)	–	(18)
Income tax relating to components of other comprehensive income	–	–	–	–	–	–	(1,326)	–	–	–	(1,326)	–	(1,326)
Total comprehensive income for the period	–	–	–	–	–	(18)	3,979	42,561	–	118,686	165,208	6,209	171,417
Capital contributions from a shareholder	–	67	–	–	–	–	–	–	–	–	67	–	67
Dividends paid to minority interests	–	–	–	–	–	–	–	–	–	–	–	(3,218)	(3,218)
Dividends declared *(Note 10)*	–	–	–	–	–	–	–	–	–	(61,131)	(61,131)	–	(61,131)
Distribution to shareholder as a result of Common Control Combination *(Note 2)*	–	–	(207,712)	–	–	–	–	–	–	–	(207,712)	–	(207,712)
Shares issued upon exercise of share options	9	427	–	(17)	–	–	–	–	–	–	419	–	419
Recognition of equity-settled share-based payments	–	–	–	1,330	–	–	–	–	–	–	1,330	–	1,330
At 30 June 2008 (Unaudited)	104,509	1,639,673	(121,914)	3,850	1,159	64	3,979	66,995	12,249	368,192	2,078,756	25,909	2,104,665
At 1 January 2009 (Audited)	106,769	1,793,727	(277,655)	8,109	1,159	36	3,979	62,595	13,255	469,341	2,181,315	30,819	2,212,134
Profit for the period	–	–	–	–	–	–	–	–	–	133,081	133,081	5,625	138,706
Exchange differences arising on translation	–	–	–	–	–	–	–	500	–	–	500	164	664
Fair value gain on available-for-sale investments	–	–	–	–	–	50	–	–	–	–	50	–	50
Reclassify to profit or loss on disposal of available-for-sale investments	–	–	–	–	–	(86)	–	–	–	–	(86)	–	(86)
Total comprehensive income for the period	–	–	–	–	–	(36)	–	500	–	133,081	133,545	5,789	139,334
Dividends declared *(Note 10)*	–	–	–	–	–	–	–	–	–	(100,896)	(100,896)	–	(100,896)
Transfer	–	–	–	–	–	–	–	–	4,293	(4,293)	–	–	–
Recognition of equity-settled share-based payments	–	–	–	3,598	–	–	–	–	–	–	3,598	–	3,598
At 30 June 2009 (Unaudited)	106,769	1,793,727	(277,655)	11,707	1,159	–	3,979	63,095	17,548	497,233	2,217,562	36,608	2,254,170

Condensed Consolidated Statement of Changes in Equity (continued)

For the six months ended 30 June 2009

The special reserve mainly represents the aggregate of:

(a) An amount of approximately HK$41 million, being the difference between the paid-in capital of Ajisen (China) International Limited ("Ajisen International") and the subsidiaries involved in the group reorganisation set out in the paragraph headed "Corporate Reorganisation" in Appendix VI to the prospectus dated 19 March 2007 issued by the Company.

(b) A net amount of approximately HK$45 million, being the difference between (i) the share premium resulted from the issue of shares of the Ajisen International, of HK$221 million to acquire additional interests in subsidiaries (which resulted in a goodwill of approximately HK$336 million) and (ii) an amount of approximately HK$176 million, being the difference between the fair value and the carrying amount of the additional interest in these subsidiaries prior to the acquisition, which represented a revaluation increase in the net assets attributable to the Group's additional interest in the subsidiaries.

(c) A net debit amount of approximately HK$363 million, being the difference between (i) the consideration which comprised cash consideration of HK$208 million and share consideration of HK$155 million for the acquisition of Luck Right Limited ("Luck Right") and its subsidiaries from Ms. Poon Wai in 2008 (the "Common Control Combination") and (ii) the share capital of Luck Right.

Share options reserve represents fair values of share options recognised as expense over the vesting period on a straight-line basis.

Capital reserve represents the difference between the actual amount contributed and the registered paid-in capital of certain subsidiaries.

Investment revaluation reserve represents the changes in fair values of available-for-sale investments.

Properties revaluation reserve represents the difference between (i) the carrying amount and (ii) the fair value of property interests previously classified as property, plant and equipment by the Group at the date the Group changed its intention and transferred these property interests to investment properties.

As stipulated by the relevant laws and regulations for foreign investment enterprises in Mainland China (the "PRC"), the Company's PRC subsidiaries are required to maintain a statutory surplus reserve fund which is non-distributable. Appropriations to such reserve is made out of profit after taxation of the statutory financial statements of the PRC subsidiaries which the amounts and allocation basis are decided by their board of directors annually. The statutory surplus reserve fund can be used to make up prior year losses, if any, and can be applied in conversion into capital by means of capitalisation issue.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2009

	Six months ended 30 June	
	2009	2008
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Operating activities		
Profit before the taxation	**180,520**	160,005
Adjustments for:		
Depreciation	**58,476**	39,705
Fair value changes in respect of the other financial assets	**(2,005)**	(2,293)
Increase in fair values recognised in respect of investment properties	**–**	(6,636)
Interest expense	**879**	10
Bank interest income	**(4,599)**	(14,333)
Gain on disposal of available-for-sale investments	**(86)**	–
Written-off or property, plant and equipment	**1,485**	–
Loss on disposal of property, plant and equipment	**–**	119
Operating lease rentals in respect of prepaid lease payments	**673**	364
Share-based payment expenses	**3,598**	1,330
Operating cash flows before movements in working capital	**238,941**	178,271
(Increase) decrease in rental deposits	**(42)**	55
Decrease (increase) in inventories	**5,789**	(12,837)
Decrease in trade and other receivables	**7,431**	6,995
Increase in trade and other payables	**6,253**	43,243
Cash from operations	**258,372**	215,727
Tax paid	**(34,258)**	(53,928)
Net cash from operating activities	**224,114**	161,799
Investing activities		
Decrease (increase) in other financial assets	**255,945**	(450,000)
Repayment from (advance to) related parties	**9,091**	(598)
Interest received	**4,599**	14,333
Proceeds from disposal of available-for-sale investments	**1,622**	–
Deposits paid for acquisition of land lease	**(13,001)**	(5,613)
Purchase of investment properties	**(7,328)**	(32,364)
Deposits paid for acquisition of property, plant and equipment	**(5,951)**	(39,470)
Purchase of property, plant and equipment	**(75,528)**	(124,307)
Proceeds from disposal of property, plant and equipment	**–**	4,465
Additions of prepaid lease payments	**–**	(514)
Advance to a director	**–**	(13,806)
Net cash from (used in) investing activities	**169,449**	(647,874)

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2009

	Six months ended 30 June	
	2009	2008
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Financing activities		
Advance from shareholders	**628**	4,912
Dividends paid	**(1)**	(58,405)
Interest paid	**(879)**	(10)
Repayment of bank loans	**(1,872)**	–
(Decrease) increase in amounts due to related companies	**(4,765)**	1,297
Proceeds from issue of shares	**–**	419
Capital contribution from a shareholder	**–**	67
Advance from (repayment to) directors	**2,480**	(544)
Dividends paid to minority interests	**–**	(3,218)
Net cash used in financing activities	**(4,409)**	(55,482)
Increase in cash and cash equivalents	**389,154**	(541,557)
Cash and cash equivalents at 1 January	**1,382,752**	1,813,777
Effect of foreign exchange rate changes	**411**	14,949
Cash and cash equivalents at 30 June	**1,772,317**	1,287,169
Analysis of the balances of cash and cash equivalents, representing bank balances and cash	**1,772,317**	1,287,169

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2009

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 have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 30 March 2007. Its immediate holding company is Favour Choice Group Limited, a company incorporated in the British Virgin Islands and wholly-owned by Anmi Holding Company Limited, which is incorporated in the British Virgin Islands and wholly-owned by Anmi Trust, which is founded by Ms. Poon Wai 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 "Corporate Information" section of the 2009 Interim Report.

The Group changed the analysis of expenses from a classification based on their function within the Group to a classification based on the nature of the expenses in preparing its consolidated financial statements for the year ended 31 December 2008. Hence, the condensed consolidated income statement for the six months ended 30 June 2008 has been restated for presentation on the expense classification.

In addition, the functional currency of the Company was changed from Hong Kong dollars to Renminbi ("RMB") on 1 January 2009 as the Group focused the chain restaurant network expansion in Mainland China (the "PRC"). The functional currency of the PRC operating subsidiaries of the Company is RMB. The functional currency of Hong Kong operating subsidiaries is Hong Kong dollars.

2. Basis of Preparation

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

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, as appropriate.

In the current interim period, the Group has applied, for the first time, the following new and revised Hong Kong Accounting Standards ("HKASs"), amendments and the related Interpretations ("HK(IFRIC)s") ("new and revised HKFRSs") issued by HKICPA, which are effective for the Group's financial year beginning on 1 January 2009.

HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowing Costs
HKAS 32 and 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC) – Int 13	Customer Loyalty Programmes
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) – Int 16	Hedges of a Net Investment in Foreign Operation
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning or after 1 July 2009
HKFRSs (Amendments)	Improvements of HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2008 except for those described below.

HKAS 23 (Revised 2007) Borrowing Costs

In previous years, the Group expensed all borrowing costs that were directly attributable to the acquisition, construction or production of a qualifying asset when they were incurred. HKAS 23 (Revised 2007) removes the option available under the previous version of the standard to recognise all borrowing costs as expenses immediately and requires borrowing costs to be capitalised as part of the cost of a qualifying asset. The revised accounting policy has been applied prospectively and does not have a material effect on the reported results and financial position of the Group for the current or prior accounting periods.

HKAS 1 (Revised 2007) Presentation of Financial Statements

HKAS 1 (Revised 2007) has introduced a number of terminology changes, including revised titles for the condensed consolidated financial statements, and has resulted in a number of changes in presentation and disclosure. However, HKAS 1 (Revised 2007) had no impact on the reported results or financial position of the Group.

3. Principal Accounting Policies (continued)

HKFRS 8 Operating Segments

HKFRS 8 is a disclosure standard that requires the identification of operating segments to be performed on the same basis as financial information that is reported internally for the purpose of allocating resources between segments and assessing their performance. The predecessor standard, HKAS 14 Segment Reporting, required the identification of two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group's primary reporting format was geographical segments by location of customers. The application of HKFRS 8 has resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14 (see note 2).

The adoption of the new and revised HKFRSs has had no material effect on the reported results and financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

The Group has not early applied the following new or revised standards, amendments or interpretations that have been issued but are not yet effective:

HKFRS (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs issued in 2008[1]
HKFRS (Amendments)	Improvements to HKFRSs issued in 2009[2]
HKAS 27 (Revised in 2008)	Consolidated and Separate Financial Statements[1]
HKAS 39 (Amendment)	Eligible Hedged Items[1]
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters[4]
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions[4]
HKFRS 3 (Revised in 2008)	Business Combinations[1]
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners[1]
HK(IFRIC) – Int 18	Transfer of Assets from Customers[3]

[1] Effective for annual periods beginning on or after 1 July 2009
[2] Effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate
[3] Effective for transfers on after 1 July 2009
[4] Effective for annual periods beginning on or after 1 January 2010

The adoption of HKFRS 3 (Revised 2008) may affect the Group's accounting for business combinations for which the acquisition dates are on or after 1 January 2010. HKAS 27 (Revised 2008) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary. The Directors anticipate that the application of other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2009

4. Segment Information

The Group has adopted HKFRS 8 Operating Segments with effect from 1 January 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Directors, the chief operating decision maker, in order to allocate resources to segments and to assess their performance. In contrast, the predecessor Standard (HKAS 14 Segment Reporting) required an entity to identify two sets of segments (business and geographical) using a risks and returns approach, with the entity's "system of internal financial reporting to key management personnel" serving only as the starting point for the identification of such segments. As a result, following the adoption of HKFRS 8, the identification of the Group's reportable segments has changed. In the past, the Group's primary reporting format was geographical segments by location of customers. However, information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of performance is more specifically focused on the Group's two operating divisions, namely operation of restaurants and manufacture and sales of noodles and related products. The Group's reportable segments under HKFRS 8 are as follows:

Operation of restaurants	– operation of restaurants in the PRC – operation of restaurants in Hong Kong
Manufacture and sales of noodles and related products	– manufacture and sales of packaged noodles and related products

Information regarding these segments is presented below. Accounts reported for the prior period have been restated to conform the requirements of HKFRS 8.

For the period ended 30 June 2009

	Operation of restaurants			Manufacture and sales of noodles and related		
	PRC HK$'000	Hong Kong HK$'000	Total HK$'000	products HK$'000	Elimination HK$'000	Total HK$'000
Turnover						
– external sales	771,410	120,911	892,321	44,630	–	936,951
– inter-segment sales *(note)*	–	–	–	153,352	(153,352)	–
	771,410	120,911	892,321	197,982	(153,352)	936,951
Results	179,582	13,815	193,397	7,221	–	200,618
Unallocated income						6,605
Unallocated expenses						(25,824)
Finance costs						(879)
Profit before taxation						180,520
Taxation						(41,814)
Profit for the period						138,706

4. Segment Information (continued)

For the period ended 30 June 2008

	Operation of restaurants			Manufacture and sales of noodles and related		
	PRC	Hong Kong	Total	products	Elimination	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Turnover						
– external sales	608,004	112,678	720,682	33,203	–	753,885
– inter-segment sales *(note)*	–	–	–	117,648	(117,648)	–
	608,004	112,678	720,682	150,851	(117,648)	753,885
Results	137,110	21,385	158,495	5,290	–	163,785
Unallocated income						23,991
Unallocated expenses						(27,761)
Finance costs						(10)
Profit before taxation						160,005
Taxation						(36,629)
Profit for the period						123,376

Note: Inter-segment sales are charged at prevailing market rates.

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

All of the Group's revenue from external customers are attributed to the country of domicile of the relevant group entities, which is the PRC and Hong Kong, during the six months ended 30 June 2009 and 30 June 2008 respectively.

None of the customers accounted for 10% or more of the total turnover of the Group during the six months ended 30 June 2009 and 30 June 2008 respectively.

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2009

5. Other Income

	Six months ended 30 June	
	2009	2008
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Government subsidies	**4,990**	3,452
Bank interest income	**4,599**	14,333
Management fee income	**–**	2,441
Property rental income	**2,308**	679
Royalty income from sub-franchisee	**6,008**	4,311
Others	**5,269**	2,650
	23,174	27,866

6. Other Gains and Losses

	Six months ended 30 June	
	2009	2008
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Charge in fair values of investment properties	**–**	6,636
Change in fair values of other financial assets *(Note)*	**2,005**	2,293
Written-off of property, plant and equipment	**(1,485)**	–
Gain on disposal of available-for-sale investments	**86**	–
Loss on disposal of property, plant and equipment	**–**	(119)
Net foreign exchange loss	**(174)**	(1,601)
	432	7,209

Note: Included in change in fair values of other financial assets for the six months ended 30 June 2009 is interest income earned on other financial assets of approximately HK$2,005,000 (six months ended 30 June 2008: nil).

7. Finance Costs

	Six months ended 30 June 2009 HK$'000 (Unaudited)	2008 HK$'000 (Unaudited)
Interest on bank borrowings:		
– wholly repayable within five years	**271**	10
– not wholly repayable within five years	**608**	–
	879	10

8. Profit before Taxation

	Six months ended 30 June 2009 HK$'000 (Unaudited)	2008 HK$'000 (Unaudited)
Profit before taxation has been arrived at after charging:		
Cost of inventories consumed *(Note a)*	**291,815**	240,406
Advertising and promotion expenses	**6,924**	6,472
Fuel and utility expenses	**49,004**	36,582
Operating lease rentals in respect of		
– land lease	**673**	309
– rented premises *(Note b)*	**122,876**	93,917

Notes:

a. This represents costs of raw materials and consumerables used.

b. Included in the operating lease rentals in respect of rental premises are minimum lease payments of approximately HK$82,766,000 (six months ended 30 June 2008: HK$68,867,000) and contingent rent of approximately HK$40,110,000 (six months ended 30 June 2008: HK$25,050,000).

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2009

9. Taxation

	Six months ended 30 June	
	2009	2008
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Hong Kong Profits Tax		
– current year	**2,307**	4,029
– overprovision in prior periods	**–**	(887)
	2,307	3,142
PRC income tax		
– current year	**36,886**	35,845
– under(over)provision in prior periods	**889**	(5,298)
	37,775	30,547
	40,082	33,689
Deferred taxation	**1,732**	2,940
	41,814	36,629

Hong Kong Profits Tax is recognised on annual income tax rate of 16.5% for the periods under review.

PRC income tax is calculated at the applicable tax rates in accordance with the relevant law and regulations in the PRC.

Under relevant tax law and implementation regulations in the PRC, dividends paid out of the net profits derived by the PRC operating subsidiaries after 1 January 2008 are subject to PRC withholding tax in a rate of 10% or a lower treaty rate in accordance with relevant tax laws in the PRC. Under the relevant tax treaty, withholding tax rate on distributions to Hong Kong resident companies is 5%. Therefore, withholding tax has been provided for based on the anticipated dividends to be distributed by the PRC entities.

10. Dividends

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

	Six months ended 30 June	
	2009	2008
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Dividends recognised as distribution during the period:		
Final, declared – HK$5.25 cents per share for 2008 (2008: declared – HK$5.85 cents per share for 2007)	**56,054**	61,131
Special, declared – HK$4.20 cents per share for 2008 (2008: nil for 2007)	**44,842**	–
	100,896	61,131

The directors do not recommend the payment of an interim dividend.

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	
	2009	2008
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Earnings for the purposes of basic and diluted earnings per share, being profit for the period attributable to owners of the Company	**133,081**	118,686

	Number of shares	
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**1,067,687,070**	1,067,497,332
Effect of dilutive potential ordinary shares relating to: – outstanding share options	**–**	10,227,444
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**1,067,687,070**	1,077,724,776

11. Earnings Per Share (continued)

In calculating the weighted average number of ordinary shares for the purposes of calculating basic earnings per share, the shares that were issued for purchase of a subsidiary pursuant to the common control combination, which the details are set out in the prospectus and circular of the Company dated 19 March 2007 and 28 May 2008 respectively, are treated as if they had been in issue from 1 January 2008.

The outstanding share options do not have a dilutive effect to the Company's earnings per share during the six months ended 30 June 2009 because the exercise prices of the Company's share options were higher than the average market prices of the Company's shares during the period.

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

During the period, the Group acquired investment properties at an aggregate consideration of approximately HK$7,328,000.

The fair values of the Group's investment properties were determined by the directors of the Company and the valuations were arrived at by reference to market evidence of transaction prices for similar properties at 30 June 2009. During the six months ended 30 June 2009, no significant change in fair values of the investment properties of the Group (six months ended 30 June 2008: HK$6,636,000) has been recognised in the condensed consolidated statement of comprehensive income.

During the period, the Group spent approximately HK$80,258,000 (six months ended 30 June 2008: HK$124,307,000) on acquisition of property, plant and equipment.

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2009

13. Trade and Other Receivables

	30 June 2009 HK$'000 (Unaudited)	31 December 2008 HK$'000 (Audited)
Trade receivables		
– related companies	**381**	404
– others	**28,679**	26,137
	29,060	26,541
Rental and utility deposits	**26,604**	30,604
Property rentals paid in advance for restaurants	**3,558**	5,194
Advance to suppliers	**6,562**	3,171
Other receivables and prepayments	**16,066**	23,771
	81,850	89,281

The related companies are companies in which the Director, Ms. Poon Wai has significant beneficial interests or a shareholder of the Company, Mr. Cheng Wai Tao, has significant beneficial interest.

Payment terms for customers who are independent third parties and related companies relating to sales of noodles and related products are mainly on credit after receiving deposits. Customers are normally granted 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. 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 at the reporting date:

	30 June 2009 HK$'000 (Unaudited)	31 December 2008 HK$'000 (Audited)
0 to 30 days	**18,161**	14,121
31 to 60 days	**4,133**	4,040
61 to 90 days	**2,161**	2,674
91 to 180 days	**2,890**	2,279
Over 180 days	**1,715**	3,427
	29,060	26,541

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2009

14. Amounts due from Related Parties

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

	30 June 2009 HK$'000 (Unaudited)	31 December 2008 HK$'000 (Audited)
Shanghai Jiacai Ramen Restaurant, a sole proprietor entity held by a cousin of Ms. Poon Wai	–	9,080
Well Keen International Ltd., a company in which Ms. Poon Wai has a beneficial interest	13	25
Step Profits Ltd., a company in which Mr. Poon Ka Man, Jason and Mr. Katsuai Shigemitsu have beneficial interests	13	12
	26	9,117

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

15. Other Financial Assets

	30 June 2009 HK$'000 (Unaudited)	31 December 2008 HK$'000 (Audited)
Financial assets designated as at fair value through profit or loss (FVTPL)	–	253,940

The principal-protected deposits at 31 December 2008 were designated at fair value through profit or loss upon initial recognition as the deposits form part of contracts containing embedded derivatives. They are stated at fair values derived from discounted cash flow analysis based on the terms of the deposits and relevant market inputs, such as forward and spot exchange rates of USD and Euro and interest rates on 31 December 2008, which were provided by the counterparty financial institutions.

During the six months ended 30 June 2009, the other financial assets were fully settled.

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2009

16. Trade and Other Payables

	30 June 2009 HK$'000 (Unaudited)	31 December 2008 HK$'000 (Audited)
Trade payables		
– related companies	**6,512**	7,263
– others	**98,152**	96,659
	104,664	103,922
Payroll and welfare payables	**24,544**	22,944
Customers' deposits received	**5,063**	3,824
Payable for acquisition of property, plant and equipment	**33,381**	32,975
Payable for property rentals	**35,225**	30,944
Other taxes payable	**19,594**	15,007
Others	**9,722**	15,918
	232,193	225,534

The related companies are companies in which Mr. Katsuaki Shigemitsu has significant beneficial interest.

The following is an aged analysis of trade payables at the reporting date:

	30 June 2009 HK$'000 (Unaudited)	31 December 2008 HK$'000 (Audited)
0 to 30 days	**72,411**	58,791
31 to 60 days	**14,587**	18,840
61 to 90 days	**3,489**	7,696
91 to 180 days	**6,117**	8,298
Over 180 days	**8,060**	10,297
	104,664	103,922

17. Amounts due to Related Companies/directors/a Shareholder

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

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2009

18. Share Capital

	Number of shares	Share capital HK$'000
Authorised:		
Ordinary shares of HK$0.10 each		
At 1 January 2008, 31 December 2008, 1 January 2009 and 30 June 2009	10,000,000,000	1,000,000
Issued and fully paid:		
At 1 January 2008	1,045,000,000	104,500
Exercise of share options *(Note)*	90,000	9
At 30 June 2008	1,045,090,000	104,509
At 1 January 2009 and 30 June 2009	1,067,687,070	106,769

Note: During the six months ended 30 June 2008, the Company issued 90,000 new shares upon exercise of share options at the issue price of HK$4.6495 per share.

All shares issued by the Company during the period ended 30 June 2008 ranked pari passu in all respects with all shares then in issue.

19. Share Option Schemes

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

(a) Share Option Scheme

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.

19. Share Option Schemes (continued)

(a) Share Option Scheme (continued)

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 of a share 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 day immediately preceding the date of grant, and (iii) the nominal value of the shares.

The following tables disclosed movements of the Company's share options under the Share Option Scheme during the six months ended 30 June 2009 and 30 June 2008:

	Number of Options					
Grant date	**Outstanding as at 1 January 2009**	**Granted during the period**	**Exercised during the period**	**Cancelled during the period**	**Lapsed during the period**	**Outstanding as at 30 June 2009**
25 June 2008	**1,450,000**	**–**	**–**	**–**	**(650,000)**	**800,000**
31 December 2008	**1,050,000**	**–**	**–**	**–**	**–**	**1,050,000**
22 January 2009	**–**	**350,000**	**–**	**–**	**–**	**350,000**
	2,500,000	**350,000**	**–**	**–**	**(650,000)**	**2,200,000**

	Number of Options					
Grant date	Outstanding as at 1 January 2008	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	Outstanding as at 30 June 2008
25 June 2008	–	2,780,000	–	–	–	2,780,000

During the period ended 30 June 2009, 350,000 share options were granted on 22 January 2009 by the Company. The estimated fair values of the options at the grant date were approximately HK$503,000.

19. Share Option Schemes (continued)

(a) Share Option Scheme (continued)

Set out below are details of the share options granted during the period:

(1) The share options granted under the Share Option Scheme during the period were at exercise price of HK$3.308 per share.

(2) These share options were granted under the Share Option Scheme, vesting in 4 tranches, i.e. the first 25% on 21 January 2010, the second 25% on 21 January 2011, the third 25% on 21 January 2012 and the balance on 21 January 2013.

(3) The fair values of the share options of the Company at the grant date were calculated using the Black Scholes pricing model. The inputs into the model were as follows:

	Granted on 22 January 2009
Share price	HK$2.940
Expected volatility	64.63%
Expected life	5.50 to 7.00 years
Risk-free interest rates	1.227% to 1.315%
Expected dividend yield	1.809%

The risk-free interest rates were based on 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 behavioral considerations.

During the period ended 30 June 2009, 650,000 share options previously granted by the Company on 25 June 2008 were lapsed due to the departure of the employees. Except for the share options granted on 22 January 2009 and lapsed as disclosed above, there were no share options exercised or cancelled during the period.

The Group recognised the total expense of approximately HK$2,023,000 for the six months ended 30 June 2009 (six months ended 30 June 2008: nil) in relation to share options granted by the Company under the Share Option Scheme.

(b) Pre-IPO Share Option Scheme

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.

19. Share Option Schemes (continued)

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

The following tables disclosed movements of the Company's share options under the Pre-IPO Share Option Scheme during the six months ended 30 June 2009 and 30 June 2008:

	Number of options				
Grantees	**Outstanding as at 1 January 2009**	**Exercise during the period**	**Cancelled during the period**	**Lapsed during the period**	**Outstanding as at 30 June 2009**
(1) **Directors**					
Ms. Poon Wai *(Note 2)*	**8,485,000**	**–**	**–**	**–**	**8,485,000**
Mr. Poon Ka Man, Jason *(Note 2)*	**2,500,000**	**–**	**–**	**–**	**2,500,000**
Mr. Yin Yibing *(Note 2)*	**2,500,000**	**–**	**–**	**–**	**2,500,000**
(2) **Employees and others**	**5,400,000**	**–**	**–**	**(20,000)**	**5,380,000**
	18,885,000	**–**	**–**	**(20,000)**	**18,865,000**

	Number of options				
Grantees	Outstanding as at 1 January 2008	Exercise during the period	Cancelled during the period	Lapsed during the period	Outstanding as at 30 June 2008
(1) **Directors**					
Ms. Poon Wai *(Note 2)*	8,485,000	–	–	–	8,485,000
Mr. Poon Ka Man, Jason *(Note 2)*	2,500,000	–	–	–	2,500,000
Mr. Yin Yibing *(Note 2)*	2,500,000	–	–	–	2,500,000
(2) **Employees and others**	6,245,000	(90,000)	–	–	6,155,000
	19,730,000	(90,000)	–	–	19,640,000

19. Share Option Schemes (continued)

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

(1) All options under the Pre-IPO Share Option Scheme were granted on 8 March 2007 at an exercise price of HK$4.6495 per share.

(2) Ms. Poon Wai, Mr. Yin Yibing and Mr. Poon Ka Man, Jason who are the executive directors, have formed Center Goal Holdings Limited ("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.

Except for the share options lapsed due to the departure of the employees as disclosed above, there were no share options granted, exercised or expired under the Pre-IPO Share Option Scheme during the period.

The Group recognised total expense of approximately HK$1,575,000 for the six months ended 30 June 2009 (six months ended 30 June 2008: HK$1,330,000) in relation to share options granted by the Company under the Pre-IPO Share Option Scheme.

20. Capital Commitments

	30 June 2009 HK$'000 (Unaudited)	31 December 2008 HK$'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	**18,957**	15,149
– land lease	**30,065**	35,065
	49,022	50,214

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2009

21. Pledge of Assets

At the end of each reporting period, the Group pledged certain of its assets to a bank to secure bank loans granted to the Group. The carrying values of the assets pledged comprise:

	30 June 2009 HK$'000 (Unaudited)	31 December 2008 HK$'000 (Audited)
Investment properties	**59,600**	59,600
Property, plant and equipment	**13,050**	13,275
Prepaid lease payments	**22,905**	23,202
	95,555	96,077

22. Related Party Transactions

(a) During the period, the Group has the following significant transactions with related parties:

Relationship with related parties	**Nature of transactions**	**Six months ended 30 June 2009 HK$'000 (Unaudited)**	2008 HK$'000 (Unaudited)
Shigemitsu Industry Co., Ltd., a shareholder	Sales of noodles and related products	**179**	630
	Purchase of raw materials	**18,069**	9,768
	Franchise commissions paid	**8,466**	6,297
Companies in which Ms. Poon Wai has significant beneficial interest	Sales of noodles and related products	**–**	3,261
	Purchase of raw materials	**–**	623
	Management fee received	**–**	2,441
	Property rentals received	**–**	198
Companies in which Mr. Poon Ka Man, Jason, a director of the Company, has significant beneficial interest	Decoration expenses paid	**6,878**	5,401
Companies in which Mr. Yin Yibing has significant beneficial interest	Sales of noodles and related products	**110**	317
Ms. Poon Wai	Property rentals paid	**950**	–

22. 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	
	2009	2008
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Short-term employee benefits	**2,519**	2,858
Other long-term benefits	**37**	60
Share-based payments	**1,469**	897
	4,025	3,815

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.

Other Information

Compliance with the Code on Corporate Governance Practices

The Company has complied with all applicable code provisions under the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 to the Listing Rules for the six months ended 30 June 2009, 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. 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 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 2009, they were in compliance with the Required Standard.

Audit Committee Review

The 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, reviews the accounting principles and practices adopted by the Company and discusses auditing, internal controls and financial reporting matters. The Company's unaudited interim results for the six months ended 30 June 2009 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 2009.

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 2009, 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)*	531,976,941 shares (L)	49.83%
Ms. Poon Wai	beneficial owner	19,277,347 shares (L)	1.80%
Mr. Yin Yibing	interest in controlled corporation *(Note 3)*	28,352,679 shares (L)	2.66%
Mr. Poon Ka Man, Jason	beneficiary of a trust *(Note 2)*	531,976,941 shares (L)	49.83%
Mr. Katsuaki Shigemitsu	beneficial owner	30,821,129 shares (L)	2.89%
Mr. Katsuaki Shigemitsu	interest in controlled corporation *(Note 4)*	13,604,251 shares (L)	1.27%
Mr. Wong Hin Sun, Eugene	interest in controlled corporation *(Note 5)*	500,340 shares (L)	0.05%

Notes:

1. The letter "L" denotes the Director's long position in such securities.
2. The 531,976,941 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. Mr. Poon Ka Man, Jason, an executive Director of the Company, is one of the beneficiaries of Anmi Trust.
3. The 28,352,679 shares are held by Brilinda Hilltop Inc., which is an investment holding company wholly owned by Mr. Yin Yibing, an executive Director of the Company.
4. The 13,604,251 shares are held by Shigemitsu Industry Co. Limited, which is owned as to approximately 44.5% by Mr. Katsuaki Shigemitsu, a non-executive Director of the Company.
5. The 500,340 shares are held by Sirius Investment Inc., which is wholly owned by Mr. Wong Hing Sun, Eugene, a non-executive Director of the Company.

(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 *(Note 1)*
Ms. Poon Wai	interest in controlled corporation *(Note 3)*	share option *(Note 2)*	13,485,000 (L)
Mr. Yin Yibing	*(Note 3)*	share option *(Note 2)*	*(Note 3)*
Mr. Poon Ka Man, Jason	*(Note 3)*	share option *(Note 2)*	*(Note 3)*
Mr. Jen Shek Voon	beneficial owner	share option *(Note 4)*	100,000 (L)
Mr. Lo, Peter	beneficial owner	share option *(Note 4)*	100,000 (L)
Mr. Wang Jin Cheng	beneficial owner	share option *(Note 4)*	50,000 (L)
Mr. Wong Hin Sun, Eugene	beneficial owner	share option *(Note 4)*	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 pre-IPO share option scheme of the Company.
3. Ms. Poon Wai, Mr. Yin Yibing and Mr. Poon Ka Man, Jason, who are executive Directors, were granted options under the pre- IPO share option scheme of the Company to subscribe for 8,485,000 shares, 2,500,000 shares and 2,500,000 shares respectively. They have formed a company in the British Virgin Islands named Center Goal Holdings Limited ("Center Goal") to hold the share 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.
4. 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 *(Note)*	1 *(Note)*	100% *(Note)*

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

Other Information (continued)

(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 *(Note)*	10,000 *(Note)*	100% *(Note)*

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.

Save as disclosed herein, as at 30 June 2009, 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 2009, 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 1)*	beneficial owner	531,976,941	49.83%
Anmi Holding *(Notes 1 and 2)*	interest of controlled corporation	531,976,941	49.83%
HSBC International Trustee Limited *(Note 2)*	trustee	531,976,941	49.83%
Mr. Cheng Wai Tao	beneficial owner	63,955,580	5.99%
JP Morgan Chase & Co.	interest of controlled corporation	52,715,000	4.94%
JP Morgan Chase & Co.	custodian corporation/approved lending agent	6,962,000	0.65%

Notes:

1. The 531,976,941 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. Mr. Poon Ka Man, Jason, an executive Director of the Company, is one of the beneficiaries of Anmi Trust.

2. 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. HSBC International Trustee Limited holds these shares under Anmi Trust for the benefit of the beneficiaries of Anmi Trust.

Save as disclosed herein, as at 30 June 2009, 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.

Share Option Scheme

The Company has conditionally adopted its share option scheme (the "Share Option Scheme") on 8 March 2007 for a period of ten yeras. The purpose of the Share Option Scheme is to enable Ajisen 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.

At 30 June 2009, the number of shares in respect of which options under the Share Option Scheme had been granted and remained outstanding was 2,200,000 (30 June 2008: 2,780,000), representing approximately 0.21% of the Shares of the Company in issue as at 30 June 2009.

Details of the share options granted under the Share Option Scheme and remained outstanding as at 30 June 2009 are as follows:

Grantee	Date of Grant	Outstanding as at 1 January 2009	Number of share options Granted *(Notes 1 & 2)*	Exercised	Cancelled	Lapsed *(Note 3)*	Outstanding as at 30 June 2009
Employees							
(in aggregate)	25 June 2008	1,450,000	–	–	–	(650,000)	800,000
	31 December 2008	1,050,000	–	–	–	–	1,050,000
Director							
(in aggregate)	22 January 2009	–	350,000	–	–	–	350,000
		2,500,000	350,000	–	–	(650,000)	2,200,000

Notes:

(1) During the period ended 30 June 2009, 350,000 share options were granted on 22 January 2009. The estimated fair values of the options at the grant date were approximately HK$503,000. These share options granted under the Share Option Scheme, vesting in 4 tranches, i.e. the first 25% on 21 January 2010, the second 25% on 21 January 2011, the third 25% on 21 January 2012 and the balance on 21 January 2013.

(2) The share options granted under the Share Option Scheme on 22 January 2009 were at the exercise price of HK$3.308 per share. The closing price per share immediately preceding the date of grant was HK$3.25.

(3) During the period ended 30 June 2009, 650,000 share options previously granted by the Company on 25 June 2008 were lapsed due to the departure of the employees. Except for the share options granted on 22 January 2009 and lapsed as disclosed above, there were no share options exercised or cancelled during the period.

Pre-IPO Share Option Scheme

The Company conditionally adopted its pre-IPO share option scheme (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:

				Number of options			
Grantee		**Number of options granted on 8 March 2007** *(Notes 1 and 3)*	**Outstanding as at 1 January 2009**	**Exercise during the period ended 30 June 2009**	**Cancelled during the period ended 30 June 2009**	**Lapsed during the period ended 30 June 2009**	**Outstanding as at 30 June 2009**
(1)	**Directors**						
	Ms. Poon Wai *(Note 2)*	8,485,000	8,485,000	–	–	–	8,485,000
	Mr. Poon Ka Man, Jason *(Note 2)*	2,500,000	2,500,000	–	–	–	2,500,000
	Mr. Yin Yibing *(Note 2)*	2,500,000	2,500,000	–	–	–	2,500,000
(2)	**Employees and others**	6,515,000	5,400,000	–	–	(20,000)	5,380,000
		20,000,000	18,885,000	–	–	(20,000)	18,865,000

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, Mr. Yin Yibing and Mr. Poon Ka Man, Jason who are executive Directors of the Company, 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

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, as at 30 June 2009, 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 2009, the Group employed 10,015 persons (30 June 2008: 9,385 persons), most of the Group's employees work in the chain restaurants of the Group in the PRC. The number of employees will be changed from time to time as may be 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 bonus and/or share options based on their performances.

The total remuneration payment of the Group for the six months ended 30 June 2009 was HK$163,730,000 (30 June 2008: HK$135,213,000).

By order of the Board
Ajisen (China) Holdings Limited
Poon Wai
Chairman

Hong Kong, 14 September 2009

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