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

AJISEN RAMEN
味千拉麵

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

Stock Code 股份代號：538

INTERIM REPORT 中期報告 2011

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 596 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 2011, Ajisen restaurants have entered 95 cities and 27 provinces of the PRC with total 576 restaurants. Among the major cities, the international metropolis Shanghai boasts the largest number of Ajisen restaurants, being 124, followed by 61 in Guangdong (excluding Shenzhen) and 58 in Jiangsu, together with the remaining 292 restaurants spanning across other major cities from the southern to the northern region of the PRC. In Hong Kong, Ajisen operates 39 chain restaurants with its chain network covering all major business areas of the city. Moreover, the restaurant network is supported by the Group's Shanghai and Shenzhen manufacturing centres, as well as 12 food manufacturing and processing centres in other major cities.

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

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

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

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

CORPORATE INFORMATION

Board of Directors

Executive Directors

Ms. Poon Wai
(Chairman and Chief Executive Officer)
Mr. 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. Lau Ka Ho, Robert *(CPA)*

Head Office and Principal Place of Business in Hong Kong

6th Floor
Ajisen Group Tower
Block B
24-26 Sze Shan Street
Yau Tong, Kowloon
Hong Kong

Registered Office

Clifton House
75 Fort Street
P.O. Box 1350 GT
George Town
Grand Cayman
Cayman Islands

Principal Share Registrar and Transfer Office

Appleby Corporate Services (Cayman) Limited
Clifton House
75 Fort Street
P.O. Box 1350 GT
George Town
Grand Cayman
Cayman Islands

CORPORATE INFORMATION

Hong Kong Branch Share Registrar and Transfer Office

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

Principal Bankers

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

Auditors

Deloitte Touche Tohmatsu

Hong Kong Legal Advisers

Fairbairn Catley Low & Kong
Winnie Mak, Chan & Yeung

Investor and Media Relations Consultant

iPR Ogilvy Ltd
www.iprogilvy.com

Investor Relations ("IR") Contact

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Company Website

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Stock Code

538

FINANCIAL HIGHLIGHTS

For the six months ended 30 June (unaudited)	2011	2010	% +/–
Turnover (HK$' million)	**1,664.7**	1,188.1	+40.1
Gross profit (HK$' million)	**1,139.9**	821.1	+38.8
Profit before taxation (HK$' million)	**385.6**	268.9	+43.4
Profit attributable to owners of the Company (HK$' million)	**255.2**	192.8	+32.4
Earnings per share – basic (HK cents)	**23.83**	18.05	+32.0

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Review

During the first half of 2011, the European and US economies recovered at slow pace owing to the debt crisis distress. The European and American debt crisis pushed up inflation in other countries and regions in the world. In the first half of 2011, the consumer price index ("CPI"), which is steered by food price, had been showing a rising trend. It is still uncertain whether it will go down in the second half of 2011. To control inflation, the Government of PRC adopted a series of monetary adjustment policies. With banks tightening credit standards, there was a slowdown in the investment growth. However, overall speaking, the macro-economy of China sustained the steady growth. According to the data of the National Bureau of Statistics of China, the gross domestic product ("GDP") in China was approximately RMB20,445.9 billion for the first half of 2011, a year-on-year increase of 9.6%, and total income from the food and beverages ("F&B") industry during the first half of 2011 was approximately RMB957.9 billion, a year-on-year increase of 16.2%.

One of the key targets as set out in the Twelfth Five-Year Plan of the PRC is to achieve synchronisation in the level of residential income and the standard of economic development. As consumption spending continues to rise, the F&B industry will, for a long term, benefit from the PRC's policies which regard consumption as a means to stimulate the economic growth. The ongoing process of urbanisation and the beginning of the era of high-speed train have brought tremendous development opportunities for the rapid development of the F&B industry. The successive completions of the integrated services infrastructure with numerous functional supports in cities of China recently have provided a sound operating environment for the development of chain management of the F&B industry. A standardised F&B operating market is forming gradually.

During the first half of 2011, owing to the increase in food price and rise in labour costs, the operation of all F&B enterprises encountered double pressure. Despite the challenges, the Group fully leveraged on its competitive edge in product research and development and centralised purchasing, devoted efforts in exploring potential within the enterprise to enhance management efficiency and adjusted marketing strategies in a flexible manner, thereby achieving expected growth of the earnings of the Company.

Business Review

During the first half of 2011, the Group achieved expected growth in various key performance indicators during the reporting period. For the six months ended 30 June 2011, the Group's turnover increased from approximately HK$1,188,133,000 for the corresponding period of 2010 by approximately 40.1% to approximately HK$1,664,730,000. The gross profit of the Group reached HK$1,139,879,000, an increase of approximately 38.8% from approximately HK$821,184,000 for the corresponding period of 2010. Profit attributable to the owners of the Company increased by approximately 32.4% to approximately HK$255,243,000 from approximately HK$192,830,000 for the corresponding period of 2010. Correspondingly, basic earnings per share rose from HK Cents 18.05 for the corresponding period of last year to HK Cents 23.83 per ordinary share.

During the reporting period, the Group accelerated its pace for the expansion of Fast Casual Restaurant ("FCR") network as planned. The Group adopted more focused strategies in its development, and continued to expand the restaurant network and deepened the density in mature markets, such as Jiangsu, Zhejiang and Shanghai. Additional efforts were devoted to expand the markets in Central and Western China. As at 30 June 2011, the Group had a total of 576 fast causal chain restaurants, an increase of 126 restaurants from 450 restaurants for the corresponding period in 2010. The Group's restaurant network covers 95 cities in 27 provinces and municipalities of China, an addition of 2 provinces and 19 cities from the corresponding period in 2010.

MANAGEMENT DISCUSSION AND ANALYSIS

The production and logistics system offers strong support to the expansion of the chain restaurant network in a rapid and steady manner. The Group's two major production bases in Shanghai and Shenzhen and twelve food manufacturing and processing centres throughout China comprised a comprehensive and state-of-the-art support system. During the reporting period, the construction of four new production bases in Shanghai, Tianjin, Chengdu and Dongguan proceeded as planned and scheduled, of which the Shanghai factory will commence production progressively in August 2011. These production bases will provide a solid foundation for the accelerated expansion of the restaurant network in the future.

In the first half of 2011, the Group has achieved a double-digit growth in the key performance indicators of all its main businesses. The sales for the same restaurant grew steadily following the mature development of the chain restaurant network. At the same time, through the accelerated expansion of its restaurant network, the Group's turnover has achieved growth at a rate of 40.1%.

During the reporting period, the Group's cost of inventories as a proportion to turnover was approximately 31.5%, an increase of approximately 0.6 percentage point from that of the corresponding period of last year. Accordingly, gross profit margin has decreased from approximately 69.1% for the corresponding period of last year to approximately 68.5%. During the first half of the year, the prices of various food ingredients, such as pork, cooking oil and vegetables rose. Nevertheless, through different means such as integrating and centralising the purchase channels and agreed inventory management, the Group obtained preferential and steady costs on its purchases for some food ingredients. At the same time, the Group adjusted the prices by approximately 7% for certain items on the menu in November 2010 with an aim to tackle inflation. During the second half of the year, the prices of raw materials may expect to be more stable. The Group will closely follow the price trend and is confident to stabilise the gross profit margin at expected level.

During the reporting period, the Group's labour costs accounted for approximately 18.2% of the turnover, a slight increase of approximately 0.5 percentage point over the corresponding period of last year. During the reporting period, the standard of minimum wage in a number of provinces and municipalities in China was successively raised. As such, the Group also adjusted the wages of its staff according to the relevant laws and regulations. At the same time, the Group increased the bonus for staff, leading to an increase in labour costs.

During the reporting period, the ratio of the rental and related costs against the turnover of the Group was approximately 13.1%, which was approximately 0.5 percentage point lower than that of the corresponding period of last year. During the reporting period, the Group maintained stringent criteria in location selection for new restaurants to ensure the rate of success of the new establishment. Also, a large number of medium and small size restaurants was developed so as to enhance the output per unit area. With our expanding restaurant network, the Group has secured fixed leases on a long-term basis. With a relatively rapid increase in turnover, rental costs will be further diluted. The ratio of rental and related costs proportion to turnover will decrease correspondingly.

The Group timely introduced a number of enriched and attractive marketing activities. The results of which were within expectation. During the reporting period, the Group featured the promotional sales of various attractive premiums. The feedback was excellent and the promotions facilitated an increase in transaction amount. The traditional redemption activities further improved the sales profit margin.

The highly effective operation of over 500 restaurants under the Group would not be achieved without our efficient management and intensive staff training. During the reporting period, the Group placed emphasis on the guidance and training of restaurant managers and regional supervisors. The operation efficiency of each restaurant was enhanced through constant upgrading of its basic management level. The Group continued to launch inter-restaurant competitions this year so as to fully mobilise its staff, which created significant contribution to the Group's turnover.

Retail Chain Restaurants

During the first half of 2011, the Group's major business and primary source of income continue to stem from the retail chain restaurant business. During the reporting period, the Group's restaurant business income recorded approximately HK$1,603,056,000 (2010: HK$1,138,662,000), accounted for approximately 96.3% (2010: 95.8%) of the Group's total revenue, an increase of 40.8% from the corresponding period in last year.

As at 30 June 2011, the Group's restaurant portfolio consisted of 576 Ajisen chain restaurants, comprising the following:

	30 June 2011	31 December 2010	+/–
By type:			
Owned and managed	**574**	506	68
Owned but not managed	**2**	2	0
Total	**576**	508	68
By provinces:			
Shanghai	**124**	111	13
Beijing	**33**	30	3
Tianjin	**5**	4	1
Guangdong (excluding Shenzhen)	**61**	51	10
Shenzhen	**31**	36	-5
Jiangsu	**58**	49	9
Zhejiang	**42**	33	9
Sichuan	**21**	19	2
Chongqing	**13**	11	2
Fujian	**21**	17	4
Hunan	**9**	7	2
Hubei	**15**	14	1
Liaoning	**12**	10	2
Shandong	**29**	28	1
Guangxi	**6**	3	3
Guizhou	**7**	5	2
Jiangxi	**5**	4	1
Shannxi	**11**	11	–
Yunnan	**6**	6	–
Henan	**4**	3	1
Hebei	**2**	2	–
Anhui	**11**	7	4
Gansu	**2**	2	–
Xinjiang	**2**	3	-1
Hainan	**3**	2	1
Shanxi	**1**	1	0
Neimenggu	**1**	2	-1
Hong Kong	**39**	35	4
Taiwan*	**2**	2	0
Total	**576**	508	68
Total saleable area	**132,030 sq. meters**	123,558 sq. meters	8,472 sq. meters

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

MANAGEMENT DISCUSSION AND ANALYSIS

	30 June 2011	31 December 2010	+/–
By geographical region:			
Northern China	**83**	76	7
Eastern China	**224**	193	31
Southern China	**161**	145	16
Central China	**106**	92	14
Taiwan	**2**	2	–
Total	**576**	508	68

	30 June 2011	31 December 2010	+/–
By scale:			
Flagship	**45**	44	1
Standard	**521**	454	67
Economic	**10**	10	–
Total	**576**	508	68

Sales of Packaged Noodle and Related Products

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

For the six months ended 30 June 2011, revenue from the sales of packaged noodle and related products was approximately HK$61,674,000 (2010: HK$49,471,000), accounted for approximately 3.7% (2010: 4.2%) of the Group's total revenue.

The Group has an extensive distribution network for the packaged noodle and related products in China. As of 30 June 2011, the total number of points-of-sale in this network reached approximately 8,000, of which approximately 250 were new additions compared to the corresponding period in last year. The distribution network covers over 30 cities in China. These distributors include nationwide retailers such as Wal-Mart, Carrefour and Metro, and regional retailers such as China Resources Vanguard, Sanjiang in Ningbo and Century Lianhua, as well as reputable convenient chain stores such as Allday, Kedi and C-Store.

MANAGEMENT DISCUSSION AND ANALYSIS

Recent events

By referring to the announcements of the Company dated 26 July 2011, 1 August 2011, 2 August 2011, 12 August 2011, the brand image of Ajisen Ramen was adversely affected. The sales of Ajisen Ramen restaurants significantly declined after the recent events. In order to lift the corporate image to restore the consumers' confidence in the Group's products, the Company has taken following actions:

1. Increase the Corporate transparency.

2. Strengthen internal food safety management.

3. Strengthen the Group's public relations function.

4. More efforts on advertisement for remodeling Ajisen brand.

Financial review

Turnover

For the six months ended 30 June 2011, the Group's turnover increased by approximately 40.1%, or approximately HK$476,597,000, to approximately HK$1,664,730,000 from approximately HK$1,188,133,000 for the corresponding period in 2010. Such increase was mainly due to the increase in the number of FCR of the Group during the reporting period and the improvement in the growth of sales for the same outlet.

Cost of inventories consumed

For the six months ended 30 June 2011, the Group's cost of inventories increased by approximately 43.0%, or approximately HK$157,902,000, to approximately HK$524,851,000 from approximately HK$366,949,000 for the corresponding period in 2010. However, the increase of inventories cost was higher than the increase in turnover. During the reporting period, the ratio of inventories cost to turnover was approximately 31.5%, slightly higher than 30.9% for the corresponding period in 2010. Such increase was attributable to the increase in the purchasing cost for the period.

Gross profit and gross profit margin

Driven by the above factors, gross profit for the six months ended 30 June 2011 increased by approximately 38.8%, or approximately HK$318,695,000, to approximately HK$1,139,879,000 from approximately HK$821,184,000 for the corresponding period in 2010. Gross profit margin of the Group also further decreased from approximately 69.1% for the corresponding period in 2010 to approximately 68.5%.

Property rentals and related expenses

For the six months ended 30 June 2011, property rentals and related expenses of the Group increased by approximately 34.6% from approximately HK$162,476,000 for the corresponding period in 2010 to approximately HK$218,771,000. Its proportion to turnover dropped from approximately 13.7% for the corresponding period in 2010 to approximately 13.1%. Such a decrease was mainly attributable to the fact that the positive same store sales growth exposure for the period and rental costs can be further diluted.

Staff costs

For the six months ended 30 June 2011, staff costs of the Group increased by approximately 44.1% from approximately HK$210,637,000 for the corresponding period in 2010 to approximately HK$303,512,000, primarily due to the increase in headcount resulting from the opening of new restaurants. Staff costs as a proportion to turnover increased from approximately 17.7% for the corresponding period in 2010 by 0.5 percentage point to approximately 18.2%, which reflected the increase in minimum wage in a number of provinces and municipalities in China and in Hong Kong.

Depreciation

For the six months ended 30 June 2011, depreciation of the Group increased by approximately 17.4% or approximately HK$10,233,000 from approximately HK$58,867,000 for the corresponding period in 2010 to approximately HK$69,100,000. Such an increase was mainly attributable to the increase in the number of restaurants.

Other operating expenses

Other operating expenses mainly included expenses for fuel and utility, consumables, advertising and promotion and franchise fee. For the six months ended 30 June 2011, other operating expenses increased by approximately 39.3%, or approximately HK$60,972,000, to approximately HK$216,243,000 from approximately HK$155,271,000 for the corresponding period in 2010. However, its proportion to turnover was further reduced by 0.1 percentage point from 13.1% to approximately 13.0%, which reflected the effectiveness of the Group's control over its expenses.

Other income

For the six months ended 30 June 2011, other income of the Group increased by approximately 38.4%, or approximately HK$14,018,000, to approximately HK$50,558,000 from approximately HK$36,540,000 for the corresponding period in 2010. The increase mainly originated from the rise in government grant during the period.

Other gains and losses

For the six months ended 30 June 2011, other gains and losses of the Group increased by approximately 400.8% to gains of approximately HK$4,701,000 from a loss of approximately HK$1,563,000 for the corresponding period in 2010. The increase was primarily due to an increase in foreign exchange gain for the period.

Finance costs

For the six months ended 30 June 2011, finance costs of HK$1,918,000 were incurred as opposed to corresponding period in 2010 of nil amount. Loans which were obtained in the second half of 2010 and in June of 2011.

Profit before taxation

Being affected by the factors referred to above in aggregate, the Group's profit before taxation for the six months ended 30 June 2011 increased by approximately 43.4%, or approximately HK$116,684,000 to approximately HK$385,594,000 from approximately HK$268,910,000 for the corresponding period in 2010.

Profit attributable to owners of the Company

Being affected by the factors referred to above in aggregate, profit attributable to owners of the Company for the six months ended 30 June 2011 increased by approximately 32.4%, or approximately HK$62,413,000, to approximately HK$255,243,000 from approximately HK$192,830,000 for the corresponding period in 2010.

Assets and liabilities

The Group's net current assets were approximately HK$1,472,372,000 and the current ratio was 2.5 as at 30 June 2011 (31 December 2010: 3.7). As the Group is primarily engaged in the restaurant business, most of the sales are settled in cash. As a result, the Group was able to maintain a relatively high current ratio. The decrease in current ratio was mainly attributable to the increase in dividend payable as at 30 June 2011.

Cash flows

Net cash inflow from operating activities for the six months ended 30 June 2011 was approximately HK$367,693,000 while profit before taxation for the same period was approximately HK$385,594,000. The operating cash inflows was mainly due to increase in number of FCR operated by the Group which the increase in size of operation of the Group strengthened the bargaining power of the Group with the suppliers and slowed down settlement of purchases.

Capital expenditure

For the six months ended 30 June 2011, the Group's capital expenditure was approximately HK$209,524,000 (corresponding period in 2010: HK$116,275,000), which was due to the increase in purchase of property, plant and equipment for new restaurants and acquisition of an office in Nanjing.

Key operating ratios for "Ajisen Ramen" restaurant

	Hong Kong			PRC		
	1-6/2011	1-12/2010 **(approximate) (unaudited)**	1-6/2010	**1-6/2011**	1-12/2010 **(approximate) (unaudited)**	1-6/2010
Comparable restaurant sales growth:	**5.8%**	2.8%	0.6%	**14.0%**	8.7%	6.8%
Turnover per Gross Floor Area (per day/sq. meters):	**HK$213**	HK$199	HK$190	**RMB53.3**	RMB50	RMB50
Turnover per day per restaurant:	**HK$23,490**	HK$21,918	HK$21,308	**RMB13,619**	RMB13,278	RMB13,200
Per capita spending:	**HK$59.3**	HK$58.9	HK$58.3	**RMB41.2**	RMB38.3	RMB37.9
Table turnover per day (times per day):	**6**	6	6	**5.2**	5.1	5

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 13 to 42, which comprises the condensed consolidated statement of financial position of Ajisen (China) Holdings Limited (the "Company") and its subsidiaries as of 30 June 2011 and the related condensed consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period ended and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of 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
23 August 2011

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2011

	Notes	Six months ended 30 June 2011 HK$'000 (Unaudited)	2010 HK$'000 (Unaudited)
Turnover	4	**1,664,730**	1,188,133
Other income	5	**50,558**	36,540
Other gains and losses	6	**4,701**	(1,563)
Cost of inventories consumed		**(524,851)**	(366,949)
Staff costs		**(303,512)**	(210,637)
Depreciation		**(69,100)**	(58,867)
Property rentals and related expenses		**(218,771)**	(162,476)
Other operating expenses		**(216,243)**	(155,271)
Finance costs	7	**(1,918)**	–
Profit before taxation	8	**385,594**	268,910
Taxation	9	**(118,034)**	(67,634)
Profit for the period		**267,560**	201,276
Other comprehensive income			
Exchange differences arising on translation		**30,266**	22,228
Total comprehensive income for the period		**297,826**	223,504
Profit for the period attributable to:			
Owners of the Company		**255,243**	192,830
Non-controlling interests		**12,317**	8,446
		267,560	201,276
Total comprehensive income attributable to:			
Owners of the Company		**284,277**	214,429
Non-controlling interests		**13,549**	9,075
		297,826	223,504
		HK cents	HK cents
Earnings per share	11		
– Basic		**23.83**	18.05
– Diluted		**23.56**	17.92

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2011

	Notes	30 June 2011 HK$'000 (Unaudited)	31 December 2010 HK$'000 (Audited)
Non-current assets			
Investment properties	12	**278,412**	278,412
Property, plant and equipment	12	**917,930**	772,549
Prepaid lease payments		**89,547**	58,091
Intangible assets	21	**15,800**	–
Deposits paid for acquisition of property, plant and equipment		**1,941**	1,586
Deposits paid for acquisition of land leases		**27,157**	57,297
Rental deposits		**60,752**	58,041
Goodwill		**44,791**	37,135
Deferred tax assets		**2,990**	2,973
Available-for-sale investments		**5,537**	5,537
		1,444,857	1,271,621
Current assets			
Inventories		**92,661**	82,366
Trade and other receivables	13	**160,069**	144,679
Amounts due from related parties	14	**34**	32
Taxation recoverable		**1,693**	4,954
Restricted cash	15	**146,143**	142,440
Bank balances and cash		**2,042,721**	1,828,721
		2,443,321	2,203,192
Current liabilities			
Trade and other payables	16	**416,685**	362,683
Amounts due to related companies	17	**2,860**	2,385
Amounts due to directors	17	**181**	544
Amount due to a shareholder	17	**21,052**	23,753
Amount due to minority shareholder of a subsidiary	17	**12,378**	–
Dividend payable		**4,404**	8
Taxation payable		**77,459**	70,617
Bank borrowings	18	**435,930**	142,440
		970,949	602,430
Net current assets		**1,472,372**	1,600,762
Total assets less current liabilities		**2,917,229**	2,872,383
Non-current liability			
Deferred tax liabilities		**18,957**	24,958
Net assets		**2,898,272**	2,847,425
Capital and reserves			
Share capital	19	**107,187**	107,060
Reserves		**2,721,090**	2,674,541
Equity attributable to owners of the Company		**2,828,277**	2,781,601
Non-controlling interests		**69,995**	65,824
Total equity		**2,898,272**	2,847,425

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2011

	Share capital	Share premium	Special reserve	Share options reserve	Capital reserve	Properties revaluation reserve	Translation reserve	Statutory surplus reserve fund	Retained profits	Attributable to owners of the Company	Non-controlling interests	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 January 2010 (Audited)	106,791	1,794,830	(277,655)	14,749	1,159	5,376	62,973	28,281	667,875	2,404,379	45,945	2,450,324
Profit for the period	–	–	–	–	–	–	–	–	192,830	192,830	8,446	201,276
Exchange differences arising on translation	–	–	–	–	–	–	21,599	–	–	21,599	629	22,228
Total comprehensive income for the period	–	–	–	–	–	–	21,599	–	192,830	214,429	9,075	223,504
Dividends recognised as distribution *(Note 10)*	–	–	–	–	–	–	–	–	(160,324)	(160,324)	–	(160,324)
Transfer	–	–	–	–	–	–	–	3,353	(3,353)	–	–	–
Shares issued upon exercise of share options	145	9,258	–	(2,745)	–	–	–	–	–	6,658	–	6,658
Recognition of equity-settled share-based payments	–	–	–	2,676	–	–	–	–	–	2,676	–	2,676
At 30 June 2010 (Unaudited)	106,936	1,804,088	(277,655)	14,680	1,159	5,376	84,572	31,634	697,028	2,467,818	55,020	2,522,838
At 1 January 2011 (Audited)	107,060	1,809,039	(277,655)	19,309	1,159	5,376	134,147	56,280	926,886	2,781,601	65,824	2,847,425
Profit for the period	–	–	–	–	–	–	–	–	255,243	255,243	12,317	267,560
Exchange differences arising on translation	–	–	–	–	–	–	29,034	–	–	29,034	1,232	30,266
Total comprehensive income for the period	–	–	–	–	–	–	29,034	–	255,243	284,277	13,549	297,826
Dividends recognised as distribution *(Note 10)*	–	–	–	–	–	–	–	–	(246,483)	(246,483)	–	(246,483)
Dividends paid to non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	(12,378)	(12,378)
Transfer	–	–	–	–	–	–	–	44,848	(44,848)	–	–	–
Shares issued upon exercise of share options	127	6,700	–	(1,083)	–	–	–	–	–	5,744	–	5,744
Recognition of equity-settled share-based payments	–	–	–	3,138	–	–	–	–	–	3,138	–	3,138
Acquisition of subsidiaries *(Note 21)*	–	–	–	–	–	–	–	–	–	–	3,000	3,000
At 30 June 2011 (Unaudited)	107,187	1,815,739	(277,655)	21,364	1,159	5,376	163,181	101,128	890,798	2,828,277	69,995	2,898,272

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 which was effected on 8 March 2007.

(b) A net amount of approximately HK$45 million, being the difference between (i) the share premium which 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$207 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 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.

Properties revaluation reserve represents the difference between (i) the carrying amount and (ii) the fair values of property interests previously classified as property, plant and equipment by the Group at the dates the Group changed the 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 2011

	Note	Six months ended 30 June 2011 HK$'000 (Unaudited)	2010 HK$'000 (Unaudited)
Operating activities			
Profit before taxation		**385,594**	268,910
Adjustments for:			
Depreciation		**69,100**	58,867
Fair value changes in respect of other financial assets		**–**	(1,127)
Interest expense		**1,918**	–
Bank interest income		**(13,012)**	(12,704)
Loss (gain) on disposal of property, plant and equipment		**29**	(11)
Operating lease rentals in respect of prepaid lease payments		**581**	1,228
Share-based payment expenses		**3,138**	2,676
Operating cash flows before movements in working capital		**447,348**	317,839
(Increase) decrease in inventories		**(10,098)**	654
Increase in rental deposits		**(2,711)**	(9,536)
Increase in trade and other receivables		**(11,325)**	(16,426)
Increase in trade and other payables		**59,658**	53,723
Cash generated from operations		**482,872**	346,254
Tax paid		**(115,179)**	(60,252)
Net cash from operating activities		**367,693**	286,002
Investing activities			
Interest received		**13,012**	12,704
Proceeds from disposal of property, plant and equipment		**3,523**	422
Advance to related parties		**(2)**	–
Acquisition of subsidiaries	21	**(24,410)**	–
Purchase of property, plant and equipment		**(209,524)**	(116,275)
Government grant received in relation to land leases acquired		**–**	5,755
Deposits paid for acquisition of land leases		**–**	(4,784)
Purchase of available-for-sale investments		**–**	(5,000)
Purchase of other financial assets		**–**	(69,000)
Proceeds on redemption of other financial assets		**–**	69,309
Purchase of investment properties		**–**	(129,718)
Net cash used in investing activities		**(217,401)**	(236,587)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2011

	Note	Six months ended 30 June 2011 HK$'000 (Unaudited)	2010 HK$'000 (Unaudited)
Financing activities			
Bank borrowings raised		**293,490**	–
Exercise of share options		**5,744**	6,658
Advance from related parties		**475**	–
Repayment to directors		**(363)**	–
Interest paid		**(1,918)**	–
Repayment to shareholders		**(2,701)**	(2,314)
Dividends paid		**(242,087)**	–
Repayment to a director		**–**	(363)
Repayment to related companies		**–**	(1,741)
Net cash from financing activities		**52,640**	2,240
Net increase in cash and cash equivalents		**202,932**	51,655
Cash and cash equivalents at 1 January		**1,828,721**	1,701,690
Effect of foreign exchange rate changes		**11,068**	16,505
Cash and cash equivalents at 30 June, representing bank balance and cash		**2,042,721**	1,769,850

1. General

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

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 and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (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.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2011 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2010. In addition, as a result of acquisition of businesses as detailed in note 21, the Group has applied the following accounting policy during the current interim period:

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

– deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 Income Taxes and HKAS 19 Employee Benefits respectively;

– liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment transactions with share-based payment transactions of the Group are measured in accordance with HKFRS 2 Share-based Payment at the acquisition date; and

– assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

3. Principal Accounting Policies (Continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquire (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or another measurement basis required by another Standard.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

Impairment losses on intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

3. Principal Accounting Policies (Continued)

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA:

– Improvements to HKFRSs issued in 2010
– HKAS 24 (as revised in 2009) Related Party Disclosure
– Amendments to HKAS 32 Classification of Right Issues
– Amendments to HK(IFRIC)-Int 14 Prepayments of a Minimum Funding Requirement
– HK(IFRIC)-Int 19 Extinguishing Financial Liabilities with Equity Instruments

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

The Group has not early applied new or revised standards that have been issued but not yet effective. The following new or revised standards have been issued after the date the consolidated financial statements for the year ended 31 December 2010 were authorised for issuance and are not yet effective:

HKFRS 10	Consolidated Financial Statements[1]
HKFRS 11	Joint Arrangements[1]
HKFRS 12	Disclosure of Interests in Other Entities[1]
HKFRS 13	Fair Value Measurement[1]
HKARS 1 (Amendments)	Presentation of items of other Comprehensive Income[2]
HKAS 19 (Revised 2011)	Employee Benefits[1]
HKAS 27 (Revised 2011)	Separate Financial Statements[1]
HKAS 28 (Revised 2011)	Investments in Associates and Joint Ventures[1]

[1] Effective for annual periods beginning on or after 1 January 2013
[2] Effective for annual periods beginning on or after 1 July 2012

The directors of the Company anticipate that the application of the above new and revised standards or amendments will have no material impact on the results and the financial position of the Group.

4. Segment Information

The following is an analysis of the Group's revenue and results by operating segments for the period under review:

For the period ended 30 June 2011 (unaudited)

	Operation of restaurants			Manufacture and sales of noodles and related	Investment	Segment		
	PRC	Hong Kong	Total	products	holding	total	Elimination	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Segment revenue								
– external sales	1,445,088	157,968	1,603,056	61,674	–	1,664,730	–	1,664,730
– inter-segment sales *(note)*	–	–	–	310,747	–	310,747	(310,747)	–
	1,445,088	157,968	1,603,056	372,421	–	1,975,477	(310,747)	1,664,730
Segment profits	357,368	19,237	376,605	4,100	7,737	388,442	–	388,442
Unallocated income								17,742
Unallocated expenses								(18,672)
Finance cost								(1,918)
Profit before taxation								385,594
Taxation								(118,034)
Profit for the period								267,560

4. Segment Information (Continued)

For the period ended 30 June 2010 (unaudited)

	Operation of restaurants			Manufacture and sales of noodles and related	Investment	Segment		
	PRC	Hong Kong	Total	products	holding	total	Elimination	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Segment revenue								
– external sales	1,002,929	135,733	1,138,662	49,471	–	1,188,133	–	1,188,133
– inter-segment sales *(note)*	–	–	–	212,433	–	212,433	(212,433)	–
	1,002,929	135,733	1,138,662	261,904	–	1,400,566	(212,433)	1,188,133
Segment profits	253,860	14,992	268,852	8,899	4,412	282,163	–	282,163
Unallocated income								13,841
Unallocated expenses								(27,094)
Profit before taxation								268,910
Taxation								(67,634)
Profit for the period								201,276

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

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

4. Segment Information (Continued)

Other information

All of the Group's non-current assets, including investment properties, property, plant and equipment, prepaid lease payments, intangible assets, deposits paid for acquisition of property, plant and equipment, deposits paid for acquisition of land leases and rental deposits are located in the Group entities' countries of domicile, the PRC and Hong Kong, at the end of each reporting period.

The following is an analysis of the Group's non-current assets by geographical location of assets:

	30 June 2011 HK$'000 (Unaudited)	31 December 2010 HK$'000 (Audited)
The PRC	**1,194,993**	1,041,231
Hong Kong	**241,337**	221,880
	1,436,330	1,263,111

All of the Group's revenue from external customers are attributed to the location of the relevant group entities, which is the PRC and Hong Kong, during the six months ended 30 June 2011 and 30 June 2010.

None of the customers accounted for 10% or more of the total turnover of the Group during the six months ended 30 June 2011 and 30 June 2010.

5. Other Income

	Six months ended 30 June	
	2011 HK$'000 (Unaudited)	2010 HK$'000 (Unaudited)
Royalty income from sub-franchisee	**8,312**	7,439
Government grant	**16,396**	6,202
Bank interest income	**13,012**	12,704
Property rental income, negligible outgoings	**7,737**	4,412
Others	**5,101**	5,783
	50,558	36,540

6. Other Gains and Losses

	Six months ended 30 June	
	2011	2010
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Net foreign exchange gain (loss)	**4,730**	(2,701)
(Loss) gain on disposal of property, plant and equipment	**(29)**	11
Net gain on other financial assets *(Note)*	**–**	1,127
	4,701	(1,563)

Note: Net gain on other financial assets for the six months ended 30 June 2010 represented interest income received on other financial assets.

7. Finance Costs

	Six months ended 30 June	
	2011	2010
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Interest on bank borrowings wholly repayable within five years	**1,918**	–

8. Profit Before Taxation

	Six months ended 30 June	
	2011	2010
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Profit before taxation has been arrived at after charging:		
Cost of inventories consumed *(note a)*	**524,851**	366,949
Advertising and promotion expenses	**11,042**	8,856
Fuel and utility expenses	**80,210**	58,249
Operating lease rentals in respect of		
– land lease	**581**	1,228
– rented premises *(note b)*	**194,181**	144,577

Notes:

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

b. Included in the operating lease rentals in respect of rental premises are minimum lease payments of approximately HK$108,466,000 (six months ended 30 June 2010: HK$91,619,000) and contingent rent of approximately HK$85,715,000 (six months ended 30 June 2010: HK$52,958,000).

9. Taxation

	Six months ended 30 June	
	2011	2010
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Hong Kong Profits Tax		
– current period	**5,809**	4,894
– under (over) provision in prior periods	**374**	(123)
	6,183	4,771
PRC income tax		
– current period	**76,242**	58,102
– withholding taxes paid	**13,541**	–
– underprovision in prior periods *(note b)*	**14,546**	–
	104,329	58,102
	110,512	62,873
Deferred taxation	**7,522**	4,761
	118,034	67,634

The income tax expense in Hong Kong and the PRC is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated weighted average annual tax rates used for Hong Kong Profit Tax and PRC income tax used are 16.5% (six months ended 30 June 2010:16.5%) and 25% (six months ended 30 June 2010:25%), respectively, for the periods under review, except the followings:

(a) Under the EIT Law and Implementation Regulation, the tax rate of Weiqian Noodle (Shanghai) Co., Ltd. 領鮮食品(上海)有限公司 ("Weiqian Noodle"), the Group's subsidiary in the PRC was increased from 15% to 25% progressively from 1 January 2008 onwards. The relevant tax rate for Weiqian Noodle in the PRC is 24% for the six months ended 30 June 2011 (six months ended 30 June 2010: 22%).

9. Taxation (Continued)

(b) Pursuant to the relevant provincial policy and with written approval obtained from the State Tax Bureau in Chongqing ("Chongqing STB") in the year ended 31 December 2009, Chongqing Weiqian Food & Restaurant Management Co., Ltd. 重慶味千餐飲管理有限公司 ("Chongqing Weiqian") which is located in Chongqing, China applied a preferential tax rate of 15% ("Preferential Tax Treatment") during the years ended 31 December 2009 and 31 December 2010.

During the six months ended 30 June 2011, the Company received notice that the PRC National Audit Office recently issued a letter to the Chongqing STB stating that a few restaurant companies, including Chongqing Weiqian, should not have been granted the Preferential Tax Treatment for the year ended 31 December 2009. The PRC National Audit Office's ruling is that Chongqing Weiqian should pay enterprise income tax at the standard rate of 25%. During the six months ended 30 June 2011, the Group made additional enterprise income tax provision of approximately HK$3.8 million (equivalent to approximately RMB3.2 million) for the year ended 31 December 2009 and paid such amount to the Chongqing STB on a timely manner as requested. As such, the Group applied the standard enterprise income tax rate of 25% for Chongqing Weiqian in the six months ended 30 June 2011.

In addition, the Group made provision of approximately HK$10.7 million (equivalent to approximately RMB9.0 million) for the potential payment of additional enterprise income tax based on the standard rate of 25% for the year ended 31 December 2010. This provision is based on the Group's assessment that the above PRC National Audit Office ruling has brought uncertainties to the Preferential Tax Treatment that Chongqing Weiqian enjoyed.

As a result of the foregoing, during the current interim period, the Group recognised a one-time tax liability of approximately HK$14.5 million (equivalent to approximately RMB12.2 million) related to the change in the Preferential Tax Treatment for the years ended 31 December 2009 and 2010. The directors of the Company believe that the Preferential Tax Treatment Chongqing Weiqian previously enjoyed was appropriate under relevant published government rules and regulations and the written approval it received in the year ended 31 December 2009.

10. Dividends

	Six months ended 30 June	
	2011	2010
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Dividends recognised as distribution during the period:		
Final, declared – HK10.50 cents per share for 2010 (2010: declared – HK7.50 cents per share for 2009)	**112,525**	80,162
Special, declared – HK12.50 cents per share for 2010 (2010: HK7.50 cents per share for 2009)	**133,958**	80,162
	246,483	160,324

An Interim dividend of HK5.95 cents per ordinary share (six months ended 30 June 2010: Nil) has been declared by the directors.

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	
	2011	2010
	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	**255,243**	192,830

	Number of shares	
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**1,071,190,812**	1,068,308,059
Effect of dilutive potential ordinary shares relating to:		
– share options	**12,396,611**	7,692,518
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**1,083,587,423**	1,076,000,577

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

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 2011. During the six months ended 30 June 2011, no material change in fair values of the investment properties of the Group (six months ended 30 June 2010: nil) has been recognised in the condensed consolidated statement of comprehensive income.

During the period, the Group spent approximately HK$202,520,000 (six months ended 30 June 2010: HK$112,087,000) on acquisition of property, plant and equipment.

13. Trade and Other Receivables

	30 June 2011 HK$'000 (Unaudited)	31 December 2010 HK$'000 (Audited)
Trade receivables		
– a related company	**588**	578
– others	**35,045**	31,749
	35,633	32,327
Rental and utility deposits	**40,496**	26,236
Property rentals paid in advance for restaurants	**17,905**	21,258
Advance to suppliers	**25,469**	21,179
Other receivables and prepayments	**40,566**	43,679
	160,069	144,679

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

Customers who are independent third parties and related companies of noodles and related products 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 analysis of trade receivables net of allowance for doubtful debts by age, presented based on invoice date at the end of the reporting period:

	30 June 2011 HK$'000 (Unaudited)	31 December 2010 HK$'000 (Audited)
0 to 30 days	**23,948**	24,088
31 to 60 days	**2,361**	2,596
61 to 90 days	**519**	585
91 to 180 days	**3,612**	1,423
Over 180 days	**5,193**	3,635
	35,633	32,327

14. Amounts due from Related Parties

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

	30 June 2010 HK$'000 (Unaudited)	31 December 2009 HK$'000 (Audited)
Well Keen International Ltd., a company in which Ms. Poon has controlling interests	**14**	14
Step Profits Ltd., a company in which Ms. Poon, has controlling interests	**20**	18
	34	32

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

15. Restricted Cash

Transaction I

Restricted cash represents deposits of approximately HK$146,143,000 (31 December 2010: HK$142,440,000) placed in banks for arrangements of foreign currency forward contracts. The deposits will be matured in twelve months from the end of the relevant reporting period and therefore the restricted cash is classified as current assets.

During the year ended 31 December 2010, the Group entered into arrangements with an established commercial bank that the Group had drawn down a bank loan denominated in HK$ and would repay such loan in RMB at a pre-determined forward rate for a contractual period of a year for the purpose of working capital of the Group. At the same time, the Group placed fixed deposits of the same amount of contracted limit with the contractual period to the same bank as security and such amount will be used to settle the loan upon maturity.

Principal amount	**Maturity**	**Forward exchange rate**
HKD146,143,000	18 October 2011	HKD/RMB at 1.1965

The restricted cash carried fixed interest at rate of 2.25% (31 December 2010: 2.25%) per annum at 30 June 2011. The restricted cash will be released upon the settlement of relevant bank loan.

15. Restricted Cash (Continued)

Transaction II

During the period ended 30 June 2011, the Group entered into an arrangement with another financial institution pursuant to which the Group would purchase United States dollars ("USD") at a pre-determined rate from this counterparty for a contractual period of one year. Details are as follows:

Principal amount	Maturity	Forward exchange rate
USD33,287,000	June 2012	Buy USD/Sell RMB at 6.4800

As at 30 June 2011, the Group did not place or restrict any cash in relation to the Transaction II.

As at 30 June 2011 and 31 December 2010, the fair values of the foreign currency forward contracts related to Transaction I and II were measured using quoted forward exchange rates to match the maturities of the contracts at the end of the relevant reporting period.

In the opinion of the directors of the Company, changes in fair value of the above foreign currency forward contracts did not have material impact on the financial position of the Group.

The restricted cash of approximately HK$146,143,000 (31 December 2010: HK$142,440,000) was denominated in RMB which is not a freely convertible currency in the international market. The exchange rate of RMB is determined by the Government of the PRC and the remittance of these funds out of the PRC is subject to exchange restrictions imposed by the Government of the PRC.

16. Trade and Other Payables

	30 June 2011 HK$'000 (Unaudited)	31 December 2010 HK$'000 (Audited)
Trade payables		
– related companies	**4,422**	5,988
– others	**182,997**	144,919
	187,419	150,907
Payroll and welfare payables	**47,595**	50,576
Customers' deposits received	**8,012**	12,408
Payable for acquisition of property, plant and equipment	**31,028**	38,032
Payable for property rentals	**40,428**	33,530
Other taxes payable	**49,933**	38,610
Others	**52,270**	38,620
	416,685	362,683

The related companies are companies in which Mr. Kasuaki Shigemitsu, who is a director and shareholder of the Company ("Mr. Shigemitsu"), has controlling interests.

The following is an analysis of trade payables by age, presented based on invoice date at the end of the reporting period:

	30 June 2011 HK$'000 (Unaudited)	31 December 2010 HK$'000 (Audited)
0 to 30 days	**99,780**	90,297
31 to 60 days	**53,840**	43,504
61 to 90 days	**13,668**	9,512
91 to 180 days	**7,540**	5,345
Over 180 days	**12,591**	2,249
	187,419	150,907

17. Amounts due to Related Companies/directors/a Shareholder/minority Shareholder of a Subsidiary

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

18. Bank Borrowings

	30 June 2011 HK$'000 (Unaudited)	31 December 2010 HK$'000 (Audited)
Bank borrowings with carrying amount repayable within one year	**435,930**	142,440
Secured	**202,440**	142,440
Unsecured	**233,490**	–
	435,930	142,440

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

Details of assets of the Group that have been pledged as collateral to secure the above bank borrowings are set out in note 23.

The Group's bank borrowings at 30 June 2011 carried variable interest rate at 1.20% per annum over Hong Kong Interbank Offer Rate ("HIBOR"), 0.6% per annum over LIBOR and 1.35% per annum over HIBOR (31 December 2010:1.20% per annum over HIBOR) and the effective interest rates ranged from 1.33% to 1.99% (31 December 2010: 1.96%) per annum.

19. Share Capital

	Number of shares	Share capital HK$'000
Authorised:		
Ordinary shares of HK$0.10 each		
At 1 January 2010, 31 December 2010, 1 January 2011 and 30 June 2011	**10,000,000,000**	1,000,000
Issued and fully paid:		
At 1 January 2010	**1,067,908,320**	106,791
Exercise of share options *(note a)*	**2,694,000**	269
At 1 January 2011	**1,070,602,320**	107,060
Exercise of share options *(note b)*	**1,272,250**	127
At 30 June 2011	**1,071,874,570**	107,187

Notes:

(a) During the year ended 31 December 2010, the Company issued 2,694,000 new shares upon exercises of share options at the average exercise price of HK$4.5223 per share.

(b) During the six months ended 30 June 2011, the Company issued 1,272,250 new shares upon exercise of share options at the average exercise price of HK$4.5148 per share.

All shares issued by the Company during the year ended 31 December 2010 and the six months ended 30 June 2011 ranked pari passu in all respects with all shares then issue.

20. 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 following tables disclosed movements of the Company's share options under the Share Option Scheme during the six months ended 30 June 2011 and 30 June 2010:

Grant date	**Outstanding at 1 January 2011**	**Granted during the period**	**Exercised during the period**	**Forfeited during the period**	**Cancelled during the period**	**Outstanding at 30 June 2011**
25 June 2008	**462,000**	**–**	**(107,000)**	**–**	**–**	**355,000**
31 December 2008	**926,000**	**–**	**(78,500)**	**–**	**–**	**847,500**
22 January 2009	**312,500**	**–**	**–**	**–**	**–**	**312,500**
3 July 2009	**37,500**	**–**	**–**	**–**	**–**	**37,500**
2 July 2010	**1,480,000**	**–**	**–**	**–**	**–**	**1,480,000**
6 July 2010	**90,000**	**–**	**–**	**–**	**–**	**90,000**
	3,308,000	**–**	**(185,500)**	**–**	**–**	**3,122,500**

Grant date	Outstanding at 1 January 2010	Granted during the period	Exercised during the period	Forfeited during the period	Cancelled during the period	Outstanding at 30 June 2010
25 June 2008	738,750	–	(18,750)	–	–	720,000
31 December 2008	1,050,000	–	(50,000)	–	–	1,000,000
22 January 2009	350,000	–	(12,500)	–	–	337,500
3 July 2009	150,000	–	–	–	–	150,000
	2,288,750	–	(81,250)	–	–	2,207,500

In respect of the share options exercised during the period, the weighted average share price and exercise price at the date of exercise were HK$14.8200 and HK$3.7260 per share, respectively (six months ended 30 June 2010: HK$8.4400 and HK$3.7260).

During the six months ended 30 June 2011, 185,500 share options previously granted by the Company were exercised and no share options were granted, forfeited and cancelled.

During the six months ended 30 June 2010, 81,250 share options previously granted by the Company were exercised and no share options were granted, forfeited and cancelled.

The Group recognised the expense of approximately HK$2,351,000 for the six months ended 30 June 2011 (six months ended 30 June 2010: HK$1,101,000) in relation to share options granted by the Company under the Share Option Scheme.

20. Share Option Schemes (Continued)

(b) Pre-IPO Share Option Scheme

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 2011 and 30 June 2010:

Grantees	**Exercise Outstanding at 1 January 2011**	**Forfeited during the period**	**Cancelled during the period**	**Outstanding during the period**	**at 30 June 2011**
(1) Directors					
Ms. Poon *(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	**2,809,250**	**(1,086,750)**	**–**	**–**	**1,722,500**
	16,294,250	**(1,086,750)**	**–**	**–**	**15,207,500**

Grantees	Exercise Outstanding at 1 January 2010	Forfeited during the period	Cancelled during the period	Outstanding during the period	at 30 June 2010
(1) Directors					
Ms. Poon *(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	5,195,000	(1,368,000)	(50,000)	–	3,777,000
	18,680,000	(1,368,000)	(50,000)	–	17,262,000

In respect of the share options exercised during the period, the weighted average share price and exercise price at the dates of exercise were HK$15.1200 and HK$4.6495, respectively (six months ended 30 June 2010: HK$8.1900 and HK$4.6495).

During the six months ended 30 June 2011, 1,086,750 share options (six months ended 30 June 2010: 1,368,000) previously granted by the Company were exercised.

20. 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, 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 forfeited due to the departure of the employees during the six months ended 30 June 2011 and exercised as disclosed above, there were no share options granted, or cancelled, under the Pre-IPO Share Option Scheme during the six months ended 30 June 2011 and 30 June 2010.

The Group recognised the expense of approximately HK$787,000 for the six months ended 30 June 2011 (six months ended 30 June 2010: HK$1,575,000) in relation to share options granted by the Company under the Pre-IPO Share Option Scheme.

21. Acquisition Of Subsidiaries

On 1 January 2011, the Group acquired 90% of the issued capital of Domon (International) Limited and Domon (China) Limited (hereinafter collectively referred to as "Domon Entities") for cash consideration of HK$27,000,000 from an independent third party neither connected to nor related to the Group. The acquisition has been accounted for using the purchase method. The amount of goodwill arising as a result of the acquisition was HK$7,656,000. Domon Entities are engaged in retail chain restaurants in Hong Kong. The Group acquired the Domon Entities as the Group wishes to penetrate market of retail chain restaurants in Hong Kong.

Acquisition-related costs amounting to approximately HK$420,000 have been excluded from the consideration transferred and have been recognised as an expense in current interim period, within the other operating expenses line item in the condensed consolidated statement of comprehensive income.

Assets acquired and liabilities recognised at the date of acquisition

	HK$'000
Intangible assets	15,800
Plant and equipment	2,000
Cash and cash equivalents	2,590
Trade and other receivables	4,362
Inventories	197
Trade and other payables	(1,347)
Taxation payable	(1,258)
Net assets acquired	22,344

The fair value of trade and other receivables at the date of acquisition amounted to approximately HK$4,362,000, which represented the gross contractual amounts and the expected recoverable cash flows of such receivables on the date of acquisition.

21. Acquisition Of Subsidiaries (Continued)

Goodwill arising on acquisition

	Total HK$'000
Consideration transferred	27,000
Plus: non-controlling interests (10% in Domon Entities)	3,000
Less: net assets acquired	(22,344)
Goodwill arising on acquisition	7,656

Non-controlling interests

The non-controlling interests (10%) in Domon Entities recognised at the acquisition date was measured by reference to the fair value of the non-controlling interests and amounted to HK$3,000,000. This fair value was estimated by applying an income approach. The following are the key model inputs used in determining the fair value:

- assumed discount rate of 11.21%;
- assumed long-term sustainable growth rate of 4.00%; and
- assumed adjustments because of the lack of control or lack or marketability that market participants would consider when estimating the fair value of the non-controlling interests in Domon Entities.

Goodwill arose on the acquisition of Domon Entities as the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of Domon Entities. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

Net cash outflow on acquisition of subsidiaries

	HK$'000
Consideration paid in cash	27,000
Less: cash and cash equivalent balances acquired	(2,590)
	24,410

21. Acquisition Of Subsidiaries (Continued)

Impact of acquisition on the results of the Group

Included in the profit for the period is operating profits of approximately HK$1,733,000 attributable to the additional business generated by Domon Entities. Revenue for the six months ended 30 June 2011 includes approximately HK$15,598,000 generated from Domon Entities.

Intangible assets acquired

The intangible assets acquired by the Group mainly represented the trade names of the Domon Entities. In the opinion of the directors of the Company, the Group will not incur significant costs to renew such trade names. Accordingly, the intangible assets are deemed to have an indefinite useful life and are carried at cost less any subsequent accumulated impairment losses.

For the purpose of impairment testing, the intangible assets have been allocated to a cash-generating unit, Domon Entities (the "CGU"). As at 30 June 2011, the directors of the Company determined that no impairment is identified for this CGU.

The basis of the recoverable amount of the above CGU and the major underlying assumptions are summarized below:

- The recoverable amount of the CGU has been determined based on value in use calculation.

- That calculation uses cash flow projections based on financial budgets approved by management covering ten year period and a discount rate of 11.21% at 30 June 2011. The discount rate of 11.21% is the return of the Group's assets that reflects current market assessments of the time value of money and the specific risk associated with the CGU, after taking into account of the weighted average cost of equity and debt.

Other key assumption for the value in use calculation related to the estimation of cash inflows and outflows include budgeted sales and gross margin. Such estimation is based on the CGU's past performance and management's expectations for the market development.

22. Capital Commitments

	30 June 2011 HK$'000 (Unaudited)	31 December 2010 HK$'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	**28,190**	63,432
– land lease	**–**	21,368
	28,190	84,800

23. Pledge Of Assets

	30 June 2011 HK$'000 (Unaudited)	31 December 2010 HK$'000 (Audited)
Restricted cash	**146,143**	142,440
Investment properties	**63,900**	–
Property, plant and equipment	**11,588**	–
Prepaid lease payments	**21,718**	–
	243,349	142,440

24. 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 2011 HK$'000 (Unaudited)	2010 HK$'000 (Unaudited)
Shigemitsu Industry Co., Ltd., a company Mr. Katsuaki Shigemitsu has controlling interests	Sales of noodles and related products	**325**	280
	Purchase of raw materials	**33,012**	17,696
	Franchise commissions paid	**13,979**	10,957
Company in which Mr. Katsuaki Shigemitsu has controlling interests	Property rentals received	**334**	–
Company in which Mr. Poon Ka Man, Jason, a director of the Company has controlling interests	Decoration expenses paid	**1,911**	803
Ms. Poon Wai	Property rental paid	**1,000**	957

During the six months ended 30 June 2010, one of indirect wholly-owned subsidiaries of the Company entered into a sale and purchase agreement with an independent third party to acquire 5% equity interests in an entity, which is incorporated in the British Virgin Islands and engaged in the business related to automatic grilling technology including the sale and distribution of the robotic grilling machines (the "Entity"), at a consideration of HK$5,000,000. Another company wholly and beneficially owned by Anmi Trust has beneficial interests in the Entity. The equity interests in the Entity was accounted for as available-for-sale investments in the condensed consolidated statement of financial position at the end of the reporting period.

24. 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	
	2011	2010
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Short-term employee benefits	**3,255**	3,611
Other long-term benefits	**107**	47
Share-based payments	**699**	2,380
	4,061	6,038

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 Rules Governing the listing of securities on the Stock Exchange (the "Listing Rules") for the six months ended 30 June 2011, 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 2011, 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 2011 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 2011.

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 2011, 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)*	472,425,041 shares (L)	44.07%
Ms. Poon Wai	beneficial owner	19,277,347 shares (L)	1.80%
Mr. Yin Yibing	founder of a discretionary trust *(Note 3)*	28,352,679 shares (L)	2.65%
Mr. Katsuaki Shigemitsu	beneficial owner	950,000 shares (L)	0.09%
Mr. Katsuaki Shigemitsu	interest in controlled corporation *(Note 4)*	32,425,380 shares (L)	3.03%
Mr. Wong Hin Sun, Eugene	interest of spouse *(Note 5)*	100,000 shares (L)	0.01%
Mr. Wang Jin Cheng	beneficial owner	12,500 shares (L)	0.00%
Mr. Jen Shek Voon	beneficial owner	15,000 shares (L)	0.00%

Notes:

1. The letter "L" denotes the Director's long position in such securities.
2. The 472,425,041 shares are held by Favor Choice Group Limited ("Favor Choice"), which is an investment holding company wholly owned by Anmi Holding Company Limited ("Anmi Holding"). Anmi Holding is incorporated in the British Virgin Islands and its issued share capital is wholly owned by Anmi Trust, which is founded by Ms. Poon Wai. Ms. Poon Wai is an executive Director and the CEO of the Company.
3. The 28,352,679 shares are held by Brilinda Hilltop Inc., which is an investment holding company wholly owned by Royal Century Investment Ltd ("Royal Century") and its issued share capital is wholly owned by Dalian Trust, which is founded by Mr. Yin Yibing. Mr. Yin Yibing, is an executive Director of the Company.
4. The 10,604,251 shares held by Shigemitsu Industry Co. Ltd. and the 21,821,129 shares held by Wealth Corner Limited are respectively owned as to approximately 44.5% and 100% by Mr. Katsuaki Shigemitsu, a non-executive Director of the Company.
5. The 100,000 shares are held by Mr. Wong Hing Sun, Eugene's wife, Ms. Chin May Yee Emily.

(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) *(Note 3)*
Mr. Yin Yibing	interest in controlled corporation *(Note 3)*	share option *(Note 2)*	13,485,000 (L) *(Note 3)*
Mr. Poon Ka Man, Jason	interest in controlled corporation *(Note 3)*	share option *(Note 2)*	13,485,000 (L) *(Note 3)*
Mr. Jen Shek Voon	beneficial owner	share option *(Note 4)*	100,000 (L)
Mr. Lo, Peter	beneficial owner	share option *(Note 4)*	75,000 (L)
Mr. Wang Jin Cheng	beneficial owner	share option *(Note 4)*	37,500 (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.

(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 2011, 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 2011, 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	472,425,041	44.07%
Anmi Holding *(Notes 1 and 2)*	interest of controlled corporation	472,425,041	44.07%
HSBC International Trustee Limited *(Note 2)*	trustee	500,777,720	46.72%

Notes:

1. The 472,425,041 shares were held by Favor Choice, which is an investment holding company wholly owned by Anmi Holding. Anmi Holding is incorporated in the British Virgin Islands and its issued share capital is wholly owned by Anmi Trust, which is founded by Ms. Poon Wai. Ms. Poon Wai is an executive Director and the CEO of the Company.

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 and Royal Century. Anmi Holding wholly owned Favor Choice which held 472,425,041 Shares and Royal Century wholly owned Brilinda Hilltop Inc. which held 28,352,679 Shares.

Save as disclosed herein, as at 30 June 2011, 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 years. The purpose of the Share Option Scheme is to enable the Company to grant option to the eligible participants in recognition of their contribution made or to be made to the Group. Under the Share Option Scheme, the Board may offer to grant an option to any director or employee, or any advisor, consultant, individual or entity who, in the opinion of the Board, has contributed or will contribute to the growth and development of the Group. The amount payable by a participant upon acceptance of a grant of options is HK$1.00.

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

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

As at 30 June 2011, the number of shares in respect of which options under the Share Option Scheme had been granted and remained outstanding was 3,122,500 (30 June 2010: 2,207,500), representing approximately 0.29% of the Shares of the Company in issue as at 30 June 2011.

Details of the share options granted under the Share Option Scheme and remained outstanding as at 30 June 2011 are as follows:

		Outstanding as at	Number of share options				Outstanding as at
Grantee	Date of Grant	1 January 2011	Granted	Exercised	Cancelled	Lapsed	30 June 2011
Employees							
(in aggregate)	25 June 2008	462,000	–	(107,000)	–	–	355,000
	31 December 2008	926,000	–	(78,500)	–	–	847,500
	3 July 2009	37,500	–	–	–	–	37,500
	2 July 2010	1,480,000	–	–	–	–	1,480,000
	6 July 2010	90,000	–	–	–	–	90,000
Director							
(in aggregate)	22 January 2009	312,500	–	–	–	–	312,500
		3,308,000	–	(185,500)	–	–	3,122,500

OTHER INFORMATION

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 2011**	**Exercise during the period ended 30 June 2011**	**Cancelled during the period ended 30 June 2011**	**Lapsed during the period ended 30 June 2011**	**Outstanding as at 30 June 2011**
(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	2,809,250	(1,086,750)	–	–	1,722,500
		20,000,000	16,294,250	(1,086,750)	–	–	15,207,500

Notes:

(1) All options under the Pre-IPO Share Option Scheme granted on 8 March 2007 can be exercised at a price of HK$4.6495 per share.

(2) Ms. Poon Wai, 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

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

Directors' Rights to Acquire Shares or Debentures

Save as disclosed under the sections headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations", "Share Option Scheme" and "Pre-IPO Share Option Scheme", during the six months ended 30 June 2011, 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 2011, the Group employed 15,954 persons (31 December 2010: 13,824 persons), most of the Group's employees work in the chain restaurants of the Group in the PRC. The number of employees will vary from time to time as necessary and the remuneration will be determined by reference to the practice of the industry.

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

The total remuneration payment of the Group for the six months ended 30 June 2011 was approximately HK$303,512,000 (30 June 2010: HK$210,637,000).

OTHER INFORMATION

Dividend

An interim dividend of HK5.95 cents per ordinary share (for six months ended 30 June 2010: Nil) for the six months ended 30 June 2011 have been declared by the Board to shareholders and such interim dividend will be paid on or about 30 September 2011 to shareholders whose names appear on the register of members of the Company on 23 September 2011.

Closure of the Register of Members

The register of members of the Company will be closed from 21 September 2011 to 23 September 2011 (both days inclusive), during which period no share transfers will be registered.

In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 20 September 2011.

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

Hong Kong, 23 August 2011

AJISEN RAMEN

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