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Ajisen (China) Holdings Limited
味千(中國)控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 538)

ANNOUNCEMENT AND RESUMPTION OF TRADING

This announcement is made by the Company in relation to the media coverage on Ajisen Ramen.

The Directors confirm that save as disclosed in this announcement, there is no matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

At the request of the Company, trading in the Shares of the Company on the Stock Exchange has been suspended from 9:30 a.m. on 5 August 2011 pending release of this announcement. Application has been made by the Company for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 15 August 2011.

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

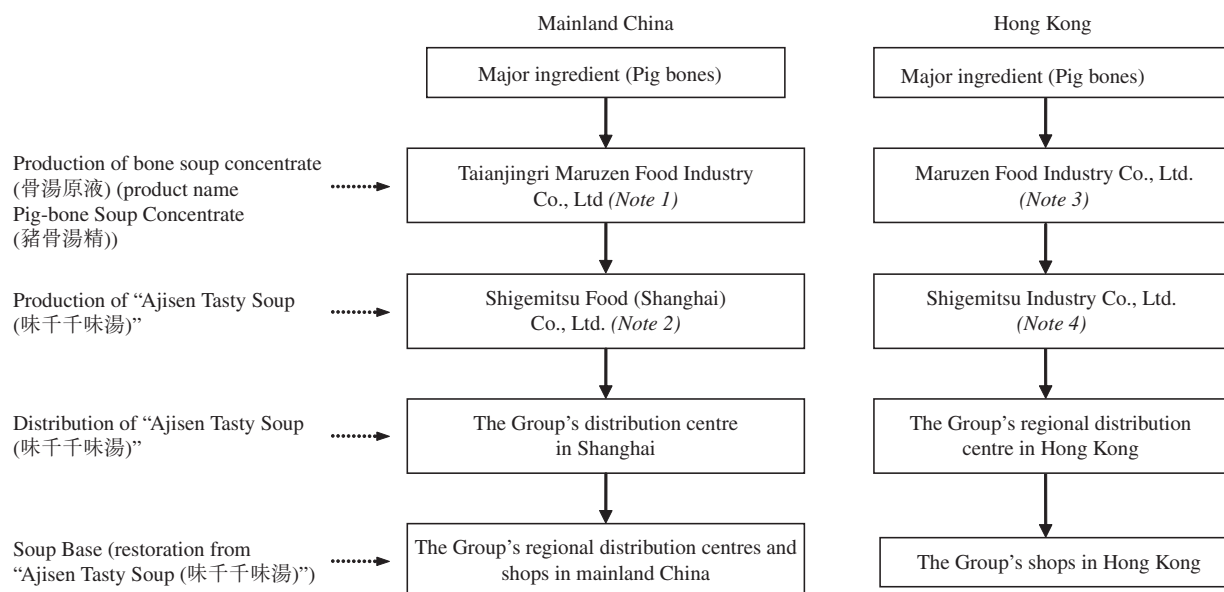
MEDIA COVERAGE

The Company noted that there were certain press articles recently concerning Ajisen Ramen. The Company has made clarification announcements on 26 July 2011, 1 August 2011 and 2 August 2011 respectively. The Company would like to provide additional information to the Shareholders and potential investors.

ADDITIONAL INFORMATION

A. Flow chart in relation to the supply chain of the pig-bone soup base

The Group is the exclusive franchisee of Shigemitsu Industry Co., Ltd. (重光産業株式會社) for “Ajisen Ramen” in the PRC, Hong Kong and Macau. In accordance with the franchise agreement entered into by the parties, the soup base supplied by Shigemitsu Industry Co., Ltd. shall be used in the products of the Group. The Group has been in strict compliance with the agreement as well as following the commercial principles. The supply chain and production process of the pig-bone soup base are set out as follows:



Notes:

1. *Taianjingri Maruzen Food Industry Co., Ltd (泰安京日丸善食品工業有限公司), a company established in the PRC, is a related company of Maruzen Food Industry Co., Ltd. (丸善食品工業株式會社) and an Independent Third Party. The technique used by Taianjingri Maruzen Food Industry Co., Ltd in the production of bone soup concentrate (骨湯原液) is consistent with that employed by Maruzen Food Industry Co., Ltd.*
2. *Shigemitsu Food (Shanghai) Co., Ltd. (西蓋米食品(上海)有限公司) is the Group's sole supplier of "Ajisen Tasty Soup (味千千味湯)" in mainland China. Shigemitsu Food (Shanghai) Co., Ltd., a company established in the PRC, is a wholly owned subsidiary of Eagle Sky International Limited. Eagle Sky International Limited, a company established in Hong Kong, is owned by Mr. Katsuaki Shigemitsu, a non-executive Director, and Shigemitsu Industry Co., Ltd. as to 60% and 30% respectively.*
3. *Maruzen Food Industry Co., Ltd., a company established in Japan, is a supplier of Shigemitsu Industry Co., Ltd., and an Independent Third Party.*
4. *Shigemitsu Industry Co., Ltd., a company established in Japan, is the franchisor of the Group and the Group's sole supplier of "Ajisen Tasty Soup (味千千味湯)" in Hong Kong. Mr. Katsuaki Shigemitsu, a non-executive Director, owns approximately 45% interests in Shigemitsu Industry Co., Ltd.*

Production process of pig-bone soup base

- 1) The production process of the bone soup concentrate (骨湯原液) (product name: “Pig-bone Soup Concentrate (豬骨湯精)”, produced by Maruzen Food Industry Co., Ltd./Taianjingri Maruzen Food Industry Co., Ltd):

Inspection of pig bones → grinding → mixing ingredients (Note 1) → extracting (steaming and boiling) → separation → condensing into concentrates → seasoning (adding salt) (Note 2) → sterilisation → filling → packaging → bone soup concentrate (骨湯原液) (product name: “Pig-bone Soup Concentrate (豬骨湯精)”) (Note 3)

Notes:

1. *Pig bones and water are added in a ratio of approximately 1:1.*
 2. *Mixing concentrate stewed from pig bones (90%) with salt (10%).*
 3. *The product falls under the category of “compound condiments (複合調味料)” pursuant to the regulations on production permits of Mainland China.*
- 2) The production process of “Ajisen Tasty Soup (味千千味湯)” (produced by Shigemitsu Industry Co., Ltd./Shigemitsu Food (Shanghai) Co., Ltd.):

Raw materials (over 92% of which are “Pig-bone Soup Concentrate (豬骨湯精)”) → measurement → stirring and mixing → sterilisation → deferrization → filtering and filling → cooling → packaging (“Ajisen Tasty Soup (味千千味湯)”)

- 3) The restoration procedures for the soup base used in Ajisen Ramen’s shops:

“Ajisen Tasty Soup (味千千味湯)” is restored to the soup base by adding water, salt water, fried onions and so on in accordance with the standard procedures of the product.

The information above is derived from the relevant corporations’ standards and internal control process which have been filed with the relevant authorities and are available for verification at the relevant regulatory bodies.

B. Regarding the nutrition content test report prepared by China Agricultural University

The Company would like to extend its sincere apology for confusing the public for the inaccurate description of the calcium content, which also aroused concerns from the relevant regulatory authority (i.e. the Administration for Industry and Commerce), resulting from the Company’s misinterpretation of the nutrition content test report issued by the Institute of Food Science and Nutrition Engineering of China Agricultural University. The Company is also cooperating closely with the Administration for Industry and Commerce to investigate into the incident and is willing to follow any improvement recommendation from relevant governmental authorities.

The nutrition content test report was prepared by the Institute of Food Science and Nutrition Engineering of China Agricultural University upon the completion of the test commissioned by Food and Nutrition Commission under China Cuisine Association on behalf of the Group in 2006. On 25 July 2011, the Company published the nutrition content test report on the Group's website without prior consent from the Institute of Food Science and Nutrition Engineering of China Agricultural University. In this regard, the Company has already communicated with and made a formal apology to the Institute of Food Science and Nutrition Engineering of China Agricultural University. Consensus has been reached thereafter. As of the date of this announcement, the nutrition content test report has been removed from the website of the Group to minimise the cause for the consumers' confusion.

C. Response to the fine of RMB786,600 imposed in May 2010

Clarification announcements have been made on 1 August 2011 and 2 August 2011 respectively. The additive, sorbitol, is commonly used in noodle products as a humectant and sweetener. Therefore, ceasing to use this additive at that time did not pose any material adverse effect on the quality of the noodle products of the Group. In addition, the fine imposed also did not have any significant impact on the profits of the Group. In view of the above, the Company did not make an announcement in relation to the fine then. In January 2010, PRC regulatory bodies announced the permission to use sorbitol in noodle products. At present, all additives used in the Group's noodle products comply with the requirements of the applicable laws.

D. Inspection by Regulatory Bodies

The Group is under normal supervision by various regulatory bodies in mainland China, including State Food and Drug Administration, Bureau of Quality and Technical Supervision and Administration for Industry and Commerce. On-site inspection and sampling at shops are normal practice. As of the date of this announcement, no written query from respective regulatory bodies regarding the food safety has been received by the Group. Shall relevant material matters arise, the Company will make announcements in strict compliance with the Listing Rules in due course.

E. Regarding the processing centre in Xiamen

1. The processing centre needs no business license

“Xiamen Processing Centre of Chongqing Weiqian Food Culture Co., Ltd. (重慶味千餐飲文化有限公司廈門加工中心)” conducts no external sales activities and thus generates no operating income. The processing centre is responsible for the centralised delivery of the raw and supplementary materials for the shops operated by Chongqing Weiqian Food Culture Co., Ltd, an indirectly wholly owned subsidiary of the Company, in Fujian and the preliminary processing and delivery of the semi-finished products used by such shops. As provided by the Reply of the State Administration for Industry & Commerce on the Issue

Concerning the Operational Activities of Internal Departments of Enterprises (Gong Shang Qi Zi [2001] No.368), “internal construction and manufacturing units and manufacturing units affiliated to enterprises that are not required to be separately licensed for conducting business operations are only restricted to those that ‘provide products and labor services merely for internal use and conduct no external operating activities’”. As such, the Group only applied for hygiene licence in mainland China when establishing its centralised kitchens, yet without registering any business licence.

2. *The issue related to hygiene licence*

- a) Xiamen Processing Centre obtained a hygiene licence on 20 July 2007 effective until 19 July 2011. Pursuant to the relevant policies in relation to centralised kitchens (category 6 of catering licence) implemented by the State Food and Drug Administration since 1 July 2011, Dianqian Hygiene Supervision Office is currently processing the application for catering licence of Xiamen Processing Centre of Chongqing Weiqian Food Culture Co., Ltd.
- b) As of 1 August 2011, the processing centre has been operating under the same conditions set out in the original hygiene licence. Although the safety of products was assured, the Company was responsible for failing to suspend production of the processing centre in a timely manner on 20 July 2011. On 2 August 2011, the Company decided to suspend the operation of the processing centre. Instead, “Dongguan Lingchi Food Co., Ltd.” (東莞領馳食品有限公司), a factory of the Group with legitimate production permit, was designated for the processing and delivery of the products. As of the date of this announcement, no penalty in respect of food safety has been imposed on Xiamen Processing Centre by regulatory authorities.
- c) At present, all the raw materials and semi-finished products of the shops in Fujian are supplied by qualified factories with legitimate production permits. The suspension of production in Xiamen Processing Centre was the Company’s voluntary action for complying with the relevant laws and regulations. The move has not affected the normal operation of the Group’s shops in Fujian.

3. *Operations of other processing centres in mainland China*

At present, all of the processing centres engaged in food processing and production in mainland China possess effective hygiene licences. The Group will learn a salutary lesson from the incident of the Xiamen Processing Centre and prepare in advance a program for the licence renewal for the processing centres so as to ensure the support to the normal operation of shops.

THE COMPANY’S ATTITUDE TOWARDS THE INCIDENT AND OUTLOOK

The Company has treated the incidents most seriously. On top of the full cooperation with governmental authorities regarding their inspection and operation guidance, the Company has enhanced the communication with the media and the public in order that material disclosure could be made in a timely manner.

As a socially responsible enterprise being accountable to its shareholders, the Company appreciates the constant trust and support from devoted consumers of Ajisen Ramen. With heartfelt gratitude, the Directors will learn a salutary lesson from the incidents and shall commit itself to improving corporate governance immediately. In particular, the Company will tighten its hold on the monitoring of internal control process, with an aim to maintain the guaranteed high quality and render safe products and quality services to the consumers as always. The Group will adhere strictly to the relevant laws and regulations and earnestly welcome the supervision from the public and the media. The Board and all the personnel of the Group are confident that, with unswerving commitment, the brand image of Ajisen and corporate value of the Company will be retained and greatly heightened.

The Directors confirm that save as disclosed in this announcement, there is no matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

SUSPENSION AND RESUMPTION OF TRADING

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DEFINITIONS

“Board”	the board of Directors of the Company
“Company”	Ajisen (China) Holdings Limited (味千(中國)控股有限公司), a company incorporated in the Cayman Islands with limited liability
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	directors of the Company
“Group”	the Company and its subsidiaries

“Independent Third Party(ies)”	any persons or companies or their respective ultimate beneficial owners which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of and not connected with the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shares”	shares with nominal value of HK\$0.10 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 12 August 2011

As at the date of this announcement, the Board comprises Ms. Poon Wai, Mr. Yin Yibing and Mr. Poon Ka Man, Jason as executive Directors; Mr. Katsuaki Shigemitsu and Mr. Wong Hin Sun, Eugene as non-executive Directors; and Mr. Lo Peter, Mr. Jen Shek Voon and Mr. Wang Jincheng as independent non-executive Directors.